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ABSTRACT

In an effort to analyze the patterns of income and benefit receipt among Michigan Aid to Families with Dependent Children (AFDC) recipients, this study examined a sample of cases for 27 different types of welfare and non-welfare income sources. The results showed an interaction among the various income sources and showed they can have an effect upon the income status of AFDC recipients. Major findings of the study included (1) the typical AFDC case was a single-parent, female-headed family averaging 3.4 members with an annual income of $6,012 derived from AFDC payments and a variety of other earned and non-earned sources, (2) most typically, the families received AFDC alone or in combination with Medicaid and/or Food Stamps, (3) alternative definitions of income yielded alternative estimates of the degree of poverty of the recipients, (4) in-kind benefits (such as Medicaid, Food Stamps, and day care) were found to be less efficient means of assistance then cash payments, and (5) there is a dramatic need for consolidation or coordination of existing welfare programs. (MK)

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Income and Benefit Receipt Among
MICHIGAN AFDC FAMILIES

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INCOME AND BENEFIT RECEIPT AMONG MICHIGAN AFDC FAMILIES

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FOREWORD

National welfare reform is once again receiving serious consideration from the President and the Congress. As in the past, much of the debate around welfare reform relates to the extent to which welfare recipients receive benefits from more than one of a multiplicity of income transfer programs. A related concern is the success of existing programs in lifting people out of poverty.

The issue of "multiple benefits" arises, of course, because the current public welfare system is an uncoordinated amalgam of individual programs, rather than a comprehensive, integrated system. As a result, the potential exists for overlap, duplication, and a total value of benefits in excess of the poverty line. On the other hand, the potential also exists for an inefficient targeting of benefits through a multitude of programs resulting in benefit packages which are less than the poor are entitled to receive.

Of primary concern has been the extent to which multiple benefit receipt actually occurs, the value of such benefit packages, and whether actual benefit and income combinations maintain eligible recipients below poverty level or allow them to rise above it. This study is among the first in the nation to examine these questions based upon actual income and benefit receipt, rather than potential eligibility for benefits.

Two major conclusions emerge from the study. First, it is clear that in-kind benefits have come to assume major importance in the nation's welfare system. In a given month, only one AFDC family in eight receives the AFDC grant alone. Seven cases out of eight also receive other benefits such as Medicaid, food stamps, public housing, or child care. The value of these in-kind benefits is equal to more than half of the average AFDC cash grant.

Second, the definition of income is of critical importance in assessing the economic status of AFDC families. Depending upon the definition used, it is possible to conclude that most AFDC cases are below the Poverty Line, or that most are above it. Using definitions which include in-kind benefits as well as cash, however, this study concludes that welfare programs succeed in raising approximately 75 percent of Michigan's AFDC families above the Poverty Line and about 50 percent above the Lower Consumption Budget established by the Bureau of Labor Statistics.

These findings underscore the need to design a comprehensive and coordinated income maintenance system which will minimize the number of separate programs and recognize necessary program interrelationships. Such reform must come at the national level, since the states have neither the legal authority nor the resources to act alone. This study offers further evidence of the critical need for immediate congressional action on welfare reform.

John T. Dempsey

PREFACE

This study attempts to profile the resources--both public and private--which were actually utilized by a sample of Michigan residents receiving Aid to Families with Dependent Children (AFDC) in May 1975. It represents a continuation and expansion of a pilot study which was undertaken in 1974. As with the 1974 effort, this study identified actual rather than potential income and benefit receipt. In determining the economic status of households in the sample, four major objectives were specified:

(1) to obtain data on welfare and non-welfare income and benefit sources of AFDC families;

(2) to ascertain the frequency with which combinations of income and benefit sources actually occur;

(3) to place a dollar value on each observed income and benefit source and combination of sources; and

(4) to compare the observed value of each benefit combination to selected income benchmarks.

The study is based upon a statewide random sample of 1,027 AFDC cases which were open in May 1975. For ease of administration and data collection, this sample was the same as that used for the 1975 AFDC Study. Study data were obtained from the Federal questionnaires developed for that study, which were completed by the appropriate county office. These data sources were supplemented by departmental payment records for Medicaid, food stamps, day care, and vendor paid services.

In all, 21 categories of welfare-related benefits and private income sources were examined and evaluated. In-kind benefits were valued on a cost-to-the-provider basis, although they were discounted at some points in the analysis to reflect the fact that the cost-to-the-provider may not in all cases represent the value to the AFDC recipient.

Factors accounted for in the analysis include the following:

(1) Location - Wayne County (including the City of Detroit) is compared to all Outstate areas, which contain a more heterogeneous mix of rural and urban elements.

(2) Employment - cases with an employed member are compared to cases without earnings as a source of income.

(3) Case Type - Regular (or single parent) cases are compared to Unemployed Father, Incapacitated Parent, and Ineligible Grantee cases.

(4) Time on Assistance - cases open continuously for three years or less (shorter-term cases) are compared to those open continuously for more than three years (longer-term cases).

All sample cases were also compared to two widely recognized income benchmarks: (1) the Bureau of Labor Statistics Lower Consumption Budget and (2) the Bureau of the Census Poverty Line. An additional comparison was also made against full time employment at the minimum wage. In all, eight different definitions of income were used in making these comparisons. Further, the findings of this project are compared to those of similar studies. Based upon the findings of this study, implications for the future are discussed.

ACKNOWLEDGEMENTS

This study was completed only as a result of the cooperation, assistance, and perseverance of a large number of people within the Michigan Department of Social Services. The effort began with county directors and their staffs in each of the 83 counties, who searched the records of sample cases and performed the initial data encoding.

Sample selection, programming, and statistical assistance were provided by Charles Conley, Director of the Survey Design and Analysis Division, and his staff. Special credit is due Robert Lovell, who supervised all technical operations, and to Stephen Miller, who created the study file and competently programmed all study tables.

The staff of the Income Maintenance Analysis Division contributed greatly to this study. Cynthia Haas, Claude Hersh, Susan Peterson, and Kym Stanton, among others, performed the major jobs of data encoding and editing. They also reviewed drafts of this study prior to publication. Particular credit is due Mary Hess, who typed this entire manuscript.

Finally, we want to extend our thanks to David Arnaudo, the HEW project officer who provided both encouragement and advice, and to HEW for partially funding this project.

Robert W. Swanson
Vernon K. Smith
Gary A. Howitt

SUMMARY OF MAJOR FINDINGS

In an effort to analyze the patterns of income and benefit receipt among Michigan AFDC recipients, this study examined a sample of cases in May 1975 for 21 different types of welfare and non-welfare income sources. The results reveal much about the interaction among these various sources and about their impact upon the economic status of AFDC recipients.

Incidence and Value of Benefits

The typical AFDC case in Michigan during the study month was a single-parent, female headed family, averaging 3.4 persons. This typical case received cash and in-kind benefits and income valued at $501 in the study month for an annual rate of $6,012 per year.

By definition, all sample cases received the AFDC grant. However, few cases (only 12 percent) relied on AFDC as their only source of cash or in-kind income. The average case received income or benefits from 1.7 sources in addition to AFDC.

The two most commonly received benefits, next to the grant, were Medicaid and food stamps. Medicaid services averaging $143 were provided during the study month to 63 percent of the sample cases. Food stamp bonus values averaging $54 went to 59 percent of the sample. No other in-kind benefit was received by more than 10 percent of the caseload.

Non-earned, non-welfare income, such as social security benefits or child support payments, was received by 18.5 percent of the sample cases. This income averaged $139 per case. Earned income of $263 was received by 13 percent of the cases.

Although in-kind benefits other than Medicaid or food stamps were received by no more than 10 percent of the caseload, some of these benefits were effectively targeted on employed AFDC cases. Housing benefits, for example, were received by 6.7 percent of the sample cases. However, twice as many employed cases received housing benefits as cases with employment. Similarly, while only 1.4 percent of the sample received manpower/training benefits, they were disproportionately received by employed cases. Over five percent of employed cases benefitted from manpower/training programs, as opposed to less than one percent of cases without earnings.

As might be expected, day care was another in-kind benefit targeted upon employed cases. Fully one-third of the cases with earned income received day care, compared to six percent of cases without earnings.

Benefit Combinations

The study identified 122 unique combinations of income and benefit sources among the 1,027 sample cases. Of these, four specific combinations accounted for 62 percent of the total:

1) AFDC, Food Stamps, Medicaid (24.0 percent);
2) AFDC, Medicaid (13.0 percent);
3) AFDC, Food Stamps (12.6 percent); and
4) AFDC only (12.4 percent).

As expected, the value of the individual benefit combinations was related to the number of benefit sources. The AFDC grant alone was valued at $203; AFDC, food stamps, and Medicaid at $542; combinations exclusive of the four mentioned above totalled $587.

Comparison with Income Benchmarks

The study found that 35 percent of Regular (female-headed) AFDC cases were below the Poverty Line when benefits were valued on a full cost-to-the-provider basis. Using the same income definition, 55 percent of AFDC-R cases were below the BLS Lower Consumption Budget level.

However, the study revealed that the distribution of cases around these benchmarks was extremely sensitive to the definition of income which is used. For example, when only cash income was considered, 86 percent of AFDC-R cases were below the Poverty Line. Yet when all in-kind benefits were included at full value and Medicaid was averaged across the entire caseload to simulate an insurance benefit, the percentage of cases in poverty dropped to 13 percent.

Such a dramatic reversal in findings based solely on the definition of income helps to explain why studies of this type have generated such controversy in recent years. Certainly, this study will not resolve the debate over what should legitimately be treated as income. However, this study deals with eight alternative definitions and clearly indicates the degree to which the poverty population can be increased or diminished through semantical changes.

In-Kind Benefits

While differences may still exist concerning the value which should be applied to in-kind welfare benefits, no one can doubt their importance in today's society. Study data indicate that the AFDC grant itself accounted for only 57 percent of the $486 in total monthly income received by the average Michigan AFDC case. Almost one-third of the total ($147) came from in-kind benefits.

While the $147 figure represents the cost of providing the in-kind benefits rather than their actual value to the recipient, it is indicative of the relative importance of in-kind benefits to the welfare system. However, unlike cash assistance, in-kind benefits are not universally received by AFDC recipients. In fact, even the most common in-kind benefits (Medicaid and food stamps) were received by only three out of five AFDC recipients. This indicates that in-kind benefits, and the multitude of programs which provide them, are not as efficient as cash assistance in providing assistance to those in need.

Welfare Reform

Data from this study illustrate both the need for comprehensive reform of the welfare system and the difficulties involved in achieving that reform. The number of different combinations of benefits (over 100 in this study alone) dramatically reveals the need for consolidation--or at least coordination--of existing welfare programs.

However, the wide disparity in the value of individual benefit packages mitigates against consolidation. While the average Michigan AFDC case received $486 in May 1975, 4.5 percent of all cases received less than $100 per month and another 4.6 percent received in excess of $1,000. One of the major difficulties inherent in welfare reform will be developing benefit levels which will disadvantage as few recipients as possible, while minimizing program costs.

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INCOME AND BENEFIT RECEIPT AMONG MICHIGAN AFDC FAMILIES

Chapter I

INTRODUCTION AND BACKGROUND

Purpose of Study

The purpose of this study is to determine and evaluate the economic status of Michigan residents receiving Aid to Families with Dependent Children (AFDC). All too often, such a determination is made solely on the basis of the AFDC grant. However, the variety of potential income sources--both public and private--which are available to welfare recipients means that the AFDC grant is only a partial measure of total income. On the other hand, simply assuming potential benefits from public and private sources, as some have done, results in an inflated statement of income and makes welfare families appear far better off than they actually are.

This study attempts to define the economic status of Michigan AFDC families in a meaningful way, including all income and benefit sources which are actually utilized. To this end, four major objectives were delineated:

(1) to obtain data on welfare and non-welfare income and benefit sources of AFDC families;

(2) to ascertain the frequency with which income and benefit combinations actually occur;

(3) to place a dollar value on each observed income and benefit combination; and

(4) to compare the observed value of each benefit combination to selected income benchmarks.

To achieve these objectives, a statewide random sample of Michigan AFDC cases was selected from the May 1975 payroll tapes. For ease of administration and data collection, this sample was the same as that used for the 1975 AFDC Study mandated by the Department of Health, Education, and Welfare. Workers in county offices examined individual case records in order to identify the sources and to specify the dollar value of income and benefits received by AFDC recipients. This information provided the basis for a comparison of the adequacy of the packages with such national income benchmarks as the Bureau of the Census Poverty Line and the Bureau of Labor Statistics Lower Consumption Budget level. Further, it was possible to determine who received multiple benefits, with a view toward assessing horizontal equity between AFDC recipients and non-recipients in similar circumstances, and vertical equity between AFDC recipients in different circumstances. Finally, the value of the benefit packages may help to indicate the extent to which the benefits associated with AFDC receipt constitute an incentive to remain on welfare and to avoid employment.

The conclusions derived from this study are directly relevant to the effective and efficient administration of Michigan's AFDC program. They also have substantial implications for the program in other states and for welfare reform at the national level. This study not only examines the degree of multiple benefit receipt resulting from a proliferation of overlapping welfare programs, but also looks at the utilization rate in order to assess how effective these programs are in reaching their target populations.

Background and Importance of Project

Until April 1972, virtually no empirical information existed on the extent to which poor populations benefited from the multitude of federal, state, and local public welfare programs. At that time, Congresswoman Martha Griffiths' Subcommittee on Fiscal Policy of the Joint Economic Committee of Congress issued the first paper in a series of "Studies in Public Welfare".[1] This report primarily focused on how benefits from various public income transfer programs were distributed in low income populations. The study concluded that although many persons were aided by more than one such program, a large number of these recipients were still living under poverty conditions. Further complicating the picture was the fact that this proliferation of programs (due in part to the inadequate benefits of preceding programs) had led to patterns of interaction which were neither anticipated nor completely understood. Among the principal policy issues raised by these program interactions were those related to work incentives, family stability, administrative error, differential treatment based on personal characteristics, program inefficiency, and administrative complexity.

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[1] James R. Storey, Public Income Transfer Programs: The Incidence of Multiple Benefits and the Issues Raised by Their Receipt, Subcommittee on Fiscal Policy of the Joint Economic Committee, Congress of the United States, Paper No. 1, April 10, 1972.

A subsequent Congressional report analyzed the distribution to specific households of benefits from 100 public welfare programs in six low-income areas of the country.[2] This paper examined: (1) the number and amount of benefits paid by each program; (2) the number and amount of benefits received by each household; (3) the nature of the benefit distribution, both by type of aid and characteristics of beneficiaries; and (4) the relationship between the public benefits received by households and the private income they accrued. The key issues underlying this study bear a close resemblance to those of the first study in this series. Of specific concern were questions regarding the adequacy and distribution of income, the equity of benefit distribution, work incentives, and program effectiveness.

Both of these studies reached similar conclusions, concisely summarized by Alair Townsend: "The programs were found to be inefficient, to offer poor social and economic incentives, to provide too little to too many and yet too much to some whose total benefit packages are very large--larger than the amount that could be provided on an equitable basis to everyone in similar need, and sometimes higher than the local median wage."[3]

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[2] How Public Welfare Benefits are Distributed in Low-Income Areas, Subcommittee on Fiscal Policy of the Joint Economic Committee, Congress of the United States, Paper No. 6, March 26, 1973.

A third Congressional report examined the distribution and receipt of potential multiple benefits in New York City in relation to the equity of receipt, the impact on work incentives, and the adequacy of the benefits.[4] The study found that the most common combination of benefits, which included public assistance, food stamps, school lunches, and medical assistance, resulted in total annual benefits of $5500. This was estimated to be equivalent to an income of $7000 for a regularly employed person in New York City and thus reached 89 percent of the BLS Lower Budget level.[5] Housing and day care, which were the next most common benefits, brought the income even higher. The study concluded that recipients attained a fairly adequate income even without including potential housing or day care benefits. However, it also discovered little incentive for families to earn outside income, unless they were headed by a female and eligible for the AFDC income disregard. Overall, there was little equity between people eligible for benefits and those who were not.

In 1975, California published a study of the value of public assistance payments and the potential and actual size of individual recipients' grants.[6] Utilizing data from the Congressional Joint Economic

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[3] Alair A. Townsend, "Introduction: An Overview of Issues in the Coordination of Public Welfare Programs", a chapter in: Issues in the Coordination of Public Welfare Programs, Subcommittee on Fiscal Policy of the Joint Economic Committee, Congress of the United States, Paper No. 7, July 2, 1973.

[4] Blanch Berstein, Ann N. Shkuda, and Eveline M. Burns, Income-Tested Social Benefits in New York: Adequacy, Incentives, and Equity, Subcommittee on Fiscal Policy of the Joint Economic Committee, Congress of the United States, Paper No. 8, July 8, 1973.

[5] For a detailed definition of the BLS Lower Budget, see Chapter VI, page 64.

[6] Total Value of Public Assistance Benefits in California, Department of Benefit Payments, Health and Welfare Agency, State of California, January 1975.

Committee (JEC) reports, which were updated and expanded to include more programs, the study derived the total theoretical maximum of benefits available to a typical welfare recipient and the total actually received by a typical recipient. It found that the total of government benefits available to a family of four on AFDC was double the maximum grant alone. The study was not based on a sample, however, but simply on the JEC data and statewide averages of aggregate expenditures per program. It reached no conclusions in regard to the issues with which most of the other studies were concerned, such as adequacy of benefits, equity of distribution, and work incentives.

In January 1974, a pilot study was undertaken to gather data on the actual receipt of multiple benefits by AFDC recipients in Michigan.[7] Using a stratified random sample of 204 AFDC cases, that study attempted to identify the incidence of all income and benefit sources on which data could be obtained, to assign dollar values to the in-kind benefits received, and to compare the cash equivalency value of total observed income to two accepted measures of income adequacy. These comparisons indicated that virtually all cases had income exceeding the Poverty Line and a majority of cases had income exceeding the BLS Lower Consumption Budget.[8] The additional amount of income needed to surpass these arbitrary benchmarks resulted primarily from welfare-related benefits other than the basic AFDC grant, the most common of which were Medicaid and food stamps. The data also indicated an inequitable pattern of receipt by similar cases and possible disincentives to work because of large amounts of benefits with high benefit-loss rates.

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[7] Vernon K. Smith and Gary A. Howitt, The Economic Status of Michigan AFDC Families: An Analysis of Income and Benefit Receipt (Lansing: Michigan Department of Social Services, 1976).

[8] For a detailed definition of the Poverty Line, see Chapter VI, page 63.

The Rand Corporation completed a similar study in 1976 in New York City, but with a much larger sample size of 42,450 AFDC recipients.[9] The report concluded that while receipt of multiple benefits allowed the average case to live above the Poverty Line, about one-sixth of the cases still had incomes below the Poverty Line and three-fifths of the cases had incomes below the BLS Lower Consumption Budget. Again, Medicaid and food stamps appeared as major contributors to the well-being of welfare families, with Medicaid exceeding all other benefits except for the AFDC grant itself. Other benefits including child care services did not significantly add to the income of most cases. Rand applied their conclusions to welfare reform proposals and suggested that (1) simplifying grant schedules would cause widespread changes in income because of the high variation among cases, and (2) giving cash instead of in-kind benefits would not greatly change most cases' income.

Recently, the Congressional Budget Office (CBO) released a study of the incidence of poverty in the United States.[10] Utilizing the March 1975 Current Population Survey and various models, the researchers estimated the income of families in 1976, aggregated social insurance program income, money transfer program income, and the cash value of in-kind transfer program income, and then subtracted taxes. These new income levels reduced the number of families considered to be below the poverty income level from 25.5 percent to 6.9 percent of total families. In-kind transfers (primarily Medicare and Medicaid) accounted for approximately 4.7 percent of that reduction. Thus, the CBO concluded that welfare programs had achieved more than was heretofore believed, although their effectiveness varied considerably according to family type, race, age, and region of residence.

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[9] David W. Lyon, Philip A. Armstrong, James R. Hosek, and John J. McCall, Multiple Welfare Benefits in New York City (Santa Monica: The Rand Corporation, 1976).

[10] Poverty Status of Families under Alternative Definitions of Income, Congressional Budget Office, Background Paper No. 17, January 13, 1977.

Although Michigan's initial multiple benefit study provided information never before available about the state's AFDC program and the clients it served, the sample size was simply too small to permit statistically meaningful inferences. The present study, therefore, was designed to utilize a larger sample of 1,027 AFDC cases to provide for more complete analysis of the incidence of the various income and benefit combinations. Although the pilot study produced valuable information on the occurrence of the most common income and benefit packages, the small size made it impossible to obtain reliable information regarding the less common packages.

The Sample

The Department of Health, Education and Welfare required every state agency administering an approved plan for AFDC to survey a sample of cases which had received money payments during May 1975. Specific sampling instructions were provided for each state, generally calling for a sample size equal to one-half of one percent of the state's AFDC caseload.

For reasons of administrative simplicity and cost effective data collection, the sample used in this study is identical to that specified for the 1975 AFDC Study. This sample consisted of cases selected in three parts, as follows:

(a) Cases from the 1973 AFDC Study sample were first reduced to random proportions by selecting a subsample of 879 cases so that the sampling rate for this subsample was equal to the 1975 sampling rate. Cases from this subsample which also received a payment in May 1975 become part of the 1975 sample.

(b) Cases from Michigan's May 1975 Quality Control (QC) sample were also reduced to random proportions by selecting a subsample of 121 cases. Cases which had received an AFDC payment in January 1973 were set aside, and the remainder became part of the sample.

(c) A supplemental sample of 850 cases was selected from the May 1975 AFDC caseload according to HEW sampling instructions so that when combined with the QC cases the total sample was one-half of one percent of the May caseload. Again, cases which had received a payment in January 1973 were set aside and the remainder retained as part of the sample.

The total sample was drawn in the exact manner prescribed by HEW's National Center for Social Statistics. According to their analysis, this provided the equivalent of a statewide, random sample. Statisticians within the Michigan Department of Social Services believe that this procedure produced a sample which was almost randon, but which contained a slight bias in favor of cases which were on assistance in both study years.

The sample as finally drawn consisted of 1,055 cases, as follows:

(a)	From 1973 Sample	607
(b)	From May QC Sample	64
(c)	From May Supplemental Sample	384
		1,055

Of these cases, 28 were deleted due to lack of information or other technical problems, leaving a final sample of 1,027 cases.

Data Collection

More than a year was required for the collection and editing of study data. Only 50 percent of the study schedules were completed by caseworkers within the four weeks originally allowed for this task. Although most schedules were received after eight weeks, it took a full four months to obtain completed schedules for all sample cases.

The primary reason for delay in the counties was the tremendous workload which workers already faced. Throughout the spring and early summer of 1975, Michigan embarked upon a complete review of the AFDC caseload. This Corrective Action Program required workers to put aside all other work in order to complete the review. Consequently, workers were already well behind in routine tasks by the time they received these study schedules in the late summer and early fall. In addition, the severe recession in Michigan caused caseload increases at a time when the state's budget would not allow for commensurate increases in staff.

A manual editing of all schedules was initiated upon their return from the counties. The purpose of this review was to ensure that all schedules had been properly completed and that they were free of any major, obvious errors. In addition, the schedules required some coding to be done by the State Office. All study schedules were also subjected to a series of computer edits. These comprehensive edits were written and programmed during the fall of 1975 and edit runs were begun in January 1976.

Following these edits, much staff time was required to correct the study data obtained from case records. Individual caseworkers had to be contacted throughout the state, either by telephone or through onsite visits to county offices, in an effort to obtain accurate information. Data on vendor paid shelter, day care, food stamps, and Medicaid were obtained from computer files in the Michigan Department of Social Services. Because of programming difficulties, the last of these data elements was not added to the file until late in 1976.

Data Sources

The 1975 AFDC Study utilized two detailed schedules for data collection purposes: (1) a Case Record Schedule for Eligibility Worker and (2) a Case Record Schedule for Service Worker. Copies of these schedules may be found in Appendix A.

This study used only selected data from these schedules, which were completed by workers in county offices throughout Michigan. Of the 1,027 cases in this study, 442 were from Wayne County and 585 from the state's other counties. The Income Maintenance Analysis Division of the Michigan Department of Social Services (MDSS) was responsible for the dissemination of survey forms and instructions, assistance to local offices in answering questions, the collection of forms, and the correction and analysis of the data. Further information or clarification, as needed, was obtained by telephone or personal contact with appropriate agencies and individuals throughout the state. The remaining data were obtained directly from MDSS and Wayne County computer records and other sources.

The total value of all income and benefits for each case was found by summing all welfare-related benefits and all non-welfare income sources. A total of 21 categories were examined under these two broad headings (see Chart I-1). In-kind benefits were valued on a cost-to-the-provider basis, although they were discounted at some points in the analysis because of the fact that some clients might impute less than full value to certain sources were they to quantitatively assess their economic well-being.[11]

Following is a more detailed description of welfare-related benefits and non-welfare income sources, including definitions and methodology used in obtaining data.

Welfare-Related Benefits

AFDC Grant

The standard of need for each AFDC case in May 1975 was composed of two parts: total needs and a shelter allowance. Total needs consisted of a personal needs allowance, determined solely by case size, and a household needs allowance (heating fuel and utilities), determined by case size and by residence in one of two

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[11] For a discussion of this point, see Chapter V, page 53 and Chapter VI, pages 66-67.

Chart I-1

List of Income and Benefit Categories, with Source of Data

	Category	Data Source
1.	AFDC Grant	AFDC Survey
2.	Medicaid	Medicaid Payments Records
3.	Food Stamp Bonus	Food Stamps Purchase Records
4.	Housing Benefit	Michigan Data
5.	Day Care Benefits	Day Care Payments Records
6.	Manpower/Training Benefits	Michigan Data
7.	Vendor Paid Services	Vendor Payments Records
8.	Emergency Assistance Payments	AFDC Survey
9.	General Assistance Payments	AFDC Survey
10.	Cash Social Security Benefits	AFDC Survey
11.	Veterans' Cash Benefits	AFDC Survey
12.	Other Cash Pension Benefits	AFDC Survey
13.	Unemployment Compensation	AFDC Survey
14.	Workman's Compensation	AFDC Survey
15.	Voluntary Child Support Payments	AFDC Survey
16.	Stepparent Cash Contributions	AFDC Survey
17.	Other Cash Contributions	AFDC Survey
18.	Other Cash Income	AFDC Survey
19.	Other Income In-Kind	AFDC Survey
20.	Child Support Payments on Assignment	AFDC Survey
21.	Earned Income	AFDC Survey

zones within the state. Shelter was budgeted at actual cost, up to a maximum amount for each county. There were six shelter maximum areas within Michigan. Some miscellaneous allowances, including hospital sundries, medical transportation costs, and other incidentals may have been added to the total grant in some sample cases.

The grant for each case was determined by subtracting income, net of allowable work-related expenses and disregards, from the standard of need. In certain instances, the shelter allowances had been removed from the grant and sent directly to the vendor. These vendor payments, obtained from MDSS computer listings, were added back into the grant in order to make these cases comparable to the majority of cases in which the shelter allowance was included in the grant.

Further, if a sample case received child support which was assigned to the Department, this amount was subtracted from the given grant amount and treated separately as a non-earned income source. All grant amounts were obtained from the 1975 AFDC Survey and were modified as required.

Thus, a variable referred to as the "effective AFDC grant" was calculated by adjusting where necessary the AFDC amount for vendor paid shelter and child support received by the Department on assignment.

Medicaid

The value of Medicaid benefits for services delivered to all members of the AFDC group during May 1975 was obtained by monitoring Medicaid payment records. The records used covered the period from May 1975 to January 1976. (The Department has estimated that virtually all billings for services rendered in May 1975 were submitted for payment by January 1976, although by law providers have twelve months in which to submit billings.) Recipient identification numbers for every member of each AFDC group were recorded in computerized form along with the AFDC case number, and a computer program was written to monitor monthly Medicaid payments records. From this it was possible to extract and compile payments made on behalf of members of each AFDC group for services provided in May 1975.

Food Stamps

The benefit or bonus value of food stamps is the difference between the face amount of the stamps and the purchase price, which is always lower. Because the Federal Eligibility Schedule asked only for the value of food stamps authorized for purchase during the study month, it became necessary to go to MDSS computer listings giving the total amount of food stamps actually purchased by sample cases in May. If a sample case was located on the list, then the bonus value of the food stamps actually purchased was recorded.

Housing Benefits

Caseworkers were asked to identify any housing benefit received by sample cases during the study month. Particular attention was paid to seven specific types of housing assistance generally available to AFDC recipients. The workers were also asked to provide the name and address of the authorizing agency so that the State Office could obtain more information.

For each of the several types of housing assistance, the dollar benefit to the client was defined as the difference between the "actual" or "fair market value" and the amount directly paid by the client. The market value was obtained by telephone from the authorizing agency. At the same time, the State Office also verified that the client received the assistance and the amount the client paid.

Day Care Benefits

MDSS day care payments records were cross-indexed to the sample cases. Only costs incurred during May were included in this study.

Manpower/Training Benefits

Case records were examined for ten types of manpower/training benefits which may have been received by AFDC clients in the study month. Caseworkers were asked to provide the name and address of the provider agency so the state could get more information.

A dollar amount for each of the manpower/training benefits was obtained for the study month. If the indicated benefit only provided the client with employment, this was coded as an "employment only" case and no dollar amount was entered; the income from employment for these cases and others was recorded in the Federal Eligibility Schedule.

Vendor Paid Services

These benefits were composed of homemaker, chore, or similar services which were provided in the home. The exact cost of providing these services was found in the MDSS payment records.

Emergency Assistance Payments

This benefit may be considered a special grant, usually occurring when an unusual or extraordinary need confronts the client, such as loss incurred by fire or theft, unexpected moving expenses, or special use of day care services. Also covered are home repairs and certain types of appliances.

General Assistance Payments

This state-operated program may have provided Emergency Relief to some cases that had already received Emergency Assistance within the preceding twelve months. In addition, a few cases may have received GA prior to being determined eligible for the AFDC program.

Non-Welfare Income

Non-Earned Income Sources

Cash Social Security Benefits, Veterans' Cash Benefits, Other Cash Pension Benefits, Unemployment Compensation, Workman's Compensation, Voluntary Child Support Payments, Stepparent Cash Contributions, Other Cash Contributions, Other Cash Income, Other Income In-Kind, and Child Support Payments on Assignment.

Earned Income

This source includes all income from either private or public employment less all work related expenses and taxes. The amount indicated as "earned income", therefore, represents a "net earnings" concept, reflecting income actually available to the recipient.

Chapter II

NUMBER OF INCOME AND BENEFIT SOURCES

This chapter describes the incidence of income and benefit receipt among a sample of 1,027 Michigan AFDC cases which received a payment in May 1975. Focuses on the value of individual benefit and income sources and combinations will be presented in later chapters.

Part of the analysis is presented in terms of location, contrasting cases in Wayne County (including the City of Detroit) with cases in Outstate areas, where a more heterogeneous mix of urban and rural elements is found. A second contrast is between cases with an employed member and cases without an employed member. Also examined are differences among cases of different sizes, case types, and between cases which had received AFDC continuously for three years or less and those cases which had continuous receipt of AFDC of over three years.

Study Results

The study revealed that only 12 percent of the cases in the sample received the AFDC grant alone. Table II-1 shows that 30 percent had two income or benefit sources, while 57 percent had three or more sources. Over all sample cases, income or benefits were received from an average of 2.7 sources (including the AFDC grant as one source received by all cases).

Table II-1 also indicates that larger family size was associated with a larger number of income and benefit sources. For example, the average family size for those with one income source--the AFDC grant alone--was 2.4 persons, while the average family size for cases with four income or benefit sources was 3.6 persons. This relationship, however, did not hold monotonically, as sample cases with five sources were on average slightly larger in size than those with six or seven sources.

The most common (modal) number of income and benefit sources was three, accounting for 34.8 percent of sample cases. Twenty-three

Table II-1

AFDC Case Size by Number of Income and Benefit Sources
Statewide Sample (N=1027)
May 1975

AFDC Case Size	Number of Income and Benefit Sources (Percentage Distribution) 1	2	3	4	5	6	7	Row Totals	Average Number of Income and Benefit Sources
1	2.9	1.9	0.5	0.1	-	-	-	5.5	1.6
2	5.0	12.1	8.8	4.6	0.6	0.5	-	31.5	2.5
3	2.6	7.3	8.8	4.1	1.2	-	0.1	24.1	2.8
4	0.9	4.2	7.8	3.4	1.3	0.1	-	17.6	3.0
5	0.6	1.9	4.1	1.6	1.3	0.1	0.1	9.6	3.2
6 or more	0.4	3.1	4.9	2.2	0.9	0.3	-	11.8	3.1
Column Totals	12.4	30.6	34.8	16.0	5.2	1.0	0.2	100.0	2.7
Average Case Size (persons)	2.4	3.1	3.7	3.6	4.2	3.9	4.0	3.4	-

percent of the cases received benefits from more than three sources, and no case in the sample had more than seven income or benefit sources in the study month.

Location

Because Wayne County includes the City of Detroit and accounts for a substantial proportion of Michigan's total AFDC caseload, it is important to consider it separately. The Wayne County subsample comprised 43 percent of all study cases. This compares with an actual Wayne County caseload which was 44 percent of the entire state AFDC caseload in May 1975.

Within the Wayne County subsample, over 15 percent of the cases received the AFDC grant alone (Table II-2), as compared with only 10 percent of the Outstate subsample (Table II-3). Further, 38 percent of Wayne County cases had two income and benefit sources, while 47 percent had three or more. Outstate, 25 percent of sample cases had two sources, while 65 percent had three or more.[1]

The average Wayne County case received income and benefits from 2.5 sources. Outstate, the average case had 2.9 benefit sources. In general, the number of benefit sources increased with family size in each subsample. However, even with a slightly smaller average family size, Outstate cases tended to receive income and benefits from more sources than did cases in Wayne County.

Employment

Cases with earned income made up 13.1 percent of the sample. This figure does not significantly differ from the 13.8 percent of the en-

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[1] In these and subsequent comparisons, unless otherwise indicated, differences are statistically significant at p = .95 or better.

Table II-2

AFDC Case Size by Number of Income and Benefit Sources
Wayne County Subsample (N=442)
May 1975

AFDC Case Size	Number of Income and Benefit Sources (Percentage Distribution)								Average Number of Income and Benefit Sources
	1	2	3	4	5	6	7	Row Totals	
1	1.8	1.8	0.2	-	-	-	-	3.8	1.6
2	7.0	13.3	7.0	1.8	0.2	0.5	-	29.9	2.2
3	3.4	9.5	8.8	2.7	1.4	-	-	25.8	2.6
4	1.4	5.0	6.8	2.3	1.4	-	-	16.7	2.8
5	0.9	3.2	5.2	0.9	0.9	-	-	11.1	2.8
6 or more	0.9	5.2	4.5	1.6	0.5	-	-	12.7	2.6
Column Totals	15.4	38.0	32.6	9.3	4.3	0.5	0.0	100.0	2.5
Average Case Size (persons)	2.7	3.4	3.8	3.9	4.0	2.0	-	3.5	

Table II-3

AFDC Case Size by Number of Income and Benefit Sources
Outstate Sample (N=585)
May 1975

AFDC Case Size	Number of Income and Benefit Sources (Percentage Distribution)								Average Number of Income and Benefit Sources
	1	2	3	4	5	6	7	Row Totals	
1	3.8	2.1	0.7	0.2	-	-	-	6.7	1.6
2	3.4	11.1	10.1	6.7	0.9	0.5	-	32.6	2.8
3	2.1	5.6	8.7	5.1	1.0	-	0.2	22.7	2.9
4	0.5	3.6	8.5	4.3	1.2	0.2	-	18.3	3.1
5	0.3	1.0	3.2	2.1	1.5	0.2	0.2	8.5	3.5
6 or more	-	1.5	5.1	2.7	1.2	0.5	-	11.1	3.5
Column Totals	10.1	25.0	36.4	21.0	5.8	1.4	0.3	100.0	2.9
Average Case Size (persons)	2.0	2.8	3.6	3.6	4.3	4.4	4.0	3.3	

tire Michigan AFDC caseload which was employed in May 1975. The monthly average employment rate for AFDC cases in Michigan in fiscal 1975 was 13.6 percent.

Cases with employment income would be expected to have at least one more income and benefit source than cases without earned income, simply because spendable earned income itself was considered as an income source. Study data support this expectation. Employed cases on the average received income or benefits from 3.8 sources, or an average of 1.2 more than cases without earnings.

Among cases with no employment, the modal number of benefits received was three, and only 16 percent received benefits from more than three sources. For employed cases, on the other hand, the most common number of benefits was four. Again, this was to be expected since earned income was counted as a benefit source. Nearly 62 percent of employed cases had more than three benefit sources.

Tables II-4 and II-5 indicate that cases with employment were on average significantly larger than cases with no employment. The average employed case had 3.6 members, while the average case with no earned income had 3.3 members. However, this difference is due to the fact that "one-person cases" comprise 6.3 percent of cases without earnings but are not present at all among cases with earnings. This is to be expected since one-person cases consist of a single child living with an ineligible grantee. Eliminating one person cases from consideration raises the average family size of cases without earnings to 3.6 persons, the same as that for cases with earnings.

Since family size is also associated with the number of benefit sources, the larger number of sources for employed cases may be partially a function of their larger size. However, even when controlling for size, employed cases generally receive benefits from over one full source more than those cases without employment. The one exception to this is family size four, where employed cases receive benefits from 0.9 sources more than cases without employment.

Receipt of day care is also part of the reason that cases with employment receive benefits from more sources than cases without em-

Table II-4

AFDC Case Size by Number of Income and Benefit Sources
Cases With Earned Income (N=135)
May 1975

AFDC Case Size	Number of Income and Benefit Sources (Percentage Distribution)								Average Number of Income and Benefit Sources
	1	2	3	4	5	6	7	Row Totals	
1	-	-	-	-	-	-	-	0.0[a]	-
2	-	4.4	5.9	15.6	3.7	2.2	-	31.9	3.8
3	-	4.4	5.9	7.4	5.2	-	0.7	23.7	3.7
4	-	2.2	5.9	6.7	4.4	0.7	-	20.0	3.8
5	-	0.7	3.7	1.5	3.7	0.7	0.7	11.1	4.2
6 or more	-	-	5.2	4.4	2.2	1.5	-	13.3	4.0
Column Totals	0.0	11.9	26.7	35.6	19.3	5.2	1.5	100.0	3.8
Average Case Size (persons)	-	2.9	3.9	3.3	3.9	4.1	4.0	3.6	

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[a] AFDC cases with only one member have no active adult members and therefore no earned income.

Table II-5

AFDC Case Size by Number of Income and Benefit Sources
Cases Without Earned Income (N=892)
May 1975

AFDC Case Size	Number of Income and Benefit Sources (Percentage Distribution)								Average Number of Income and Benefit Sources
	1	2	3	4	5	6	7	Row Totals	
1	3.4	2.2	0.6	0.1	-	-	-	[illegible].3	1.6
2	5.7	13.2	9.2	2.9	0.1	0.1	-	31.4	2.3
3	3.0	7.7	9.2	3.6	0.6	0.6	-	24.1	2.6
4	1.0	4.5	8.1	2.9	0.8	0.8	-	17.3	2.9
5	0.7	2.1	4.1	1.6	0.9	0.9	-	9.4	3.0
6 or more	0.4	3.6	4.8	1.9	0.7	0.7	-	11.5	2.9
Column Totals	14.2	33.4	36.0	13.0	3.0	3.0	0.0	100.0	2.6
Average Case Size (persons)	2.4	3.1	3.7	3.8	4.5	3.3	-	3.3	

ployment. Day care was a benefit for 9.8 percent of study cases. However, employed cases comprised 45 percent of the cases with day care, even though they represented only 13 percent of cases in the total sample. One-third of all cases with employment received day care, compared to 6.2 percent of cases without earned income.

Case Type

Study data revealed that 79.7 percent of the sample consisted of Regular, single-parent, generally female-headed families (AFDC-R cases); 7.8 percent were intact families with an unemployed father (AFDC-U cases) or an incapacitated parent (AFDC-I cases); and 12.5 percent were cases involving children living with ineligible grantees. These figures closely approximate Departmental caseload data for May 1975 and independent studies of the caseload conducted that same year.

The average AFDC-R case had 3.4 members and received income and benefits from 2.9 sources (Table II-6). As expected, the average case with an intact family (AFDC-U and AFDC-I) was significantly larger, having 5.0 members (Table II-7). However, the average number of benefit sources for these cases was only 3.0, not significantly different than the average AFDC-R case. Ineligible grantee cases had an average of 2.1 members and received benefits from only 1.8 sources.

In general, AFDC-R (single-parent) cases tended to receive benefits from as many sources as did two-parent cases. In fact, Regular cases of family size three and four had more benefit sources than their intact family counterparts. For both groups, the most common number of benefit sources was three. However, 9.0 percent of Regular cases received the AFDC grant alone, compared to only 3.8 percent of intact family cases (difference significant at p = .90).

Time on Assistance

Conceptually, length of time on assistance is a variable expected to be associated with the incidence of benefit receipt. On the one hand, cases which have been on assistance for long periods of time may

Table II-6

AFDC Case Size by Number of Income and Benefit Sources
AFDC-Regular Cases (N=819)
May 1975

AFDC Case Size	Number of Income and Benefit Sources (Percentage Distribution)								Average Number of Income and Benefit Sources
	1	2	3	4	5	6	7	Row Totals	
1	-	-	-	-	-	-	-	-	-
2	5.0	13.4	9.9	5.5	0.7	0.6	-	35.1	2.6
3	1.9	7.7	10.2	4.3	1.5	-	0.1	25.7	2.8
4	0.6	3.8	8.2	3.7	1.6	0.1	-	17.9	3.1
5	0.7	1.8	4.4	1.2	1.5	0.1	0.1	9.9	3.2
6 or more	0.5	2.9	4.5	2.1	0.9	0.4	-	11.2	3.1
Column Totals	9.0	29.6	37.1	16.7	6.1	1.2	0.2	100.0	2.9
Average Case Size (persons)	2.9	3.2	3.6	3.5	4.1	3.9	4.0	3.4	

Table II-7

AFDC Case Size by Number of Income and Benefit Sources
Unemployed Father or Incapacitated Cases (N=80)
May 1975

AFDC Case Size	Number of Income and Benefit Sources (Percentage Distribution)								Average Number of Income and Benefit Sources
	1	2	3	4	5	6	7	Row Totals	
1	-	-	-	-	-	-	-	-	-
2	-	-	1.3	1.3	-	-	-	2.5	3.5
3	2.5	5.0	5.0	3.8	-	-	-	16.3	2.6
4	1.3	8.8	15.0	6.3	-	-	-	31.3	2.8
5	-	2.5	6.3	7.5	1.3	-	-	17.5	3.4
6 or more	-	7.5	15.0	7.5	2.5	-	-	32.5	3.2
Column Totals	3.8	23.8	42.5	26.3	3.8	0.0	0.0	100.0	3.0
Average Case Size (persons)	3.3	4.9	5.0	4.9	6.0	-	-	5.0	

be more familiar with the welfare system and therefore in a better position to take advantage of the multiple benefits which are available to them. On the other hand, cases which require only temporary or shorter-term assistance from AFDC may include those families more likely to have access to other benefit sources. Their presence on welfare may be due only to a short term situation such as a temporary layoff, illness or injury.

For purposes of analysis, cases were classified as "shorter-term", i.e., those with three years or less of continuous AFDC receipt in the current episode of assistance; and "longer-term", i.e., those with more than three years of continuous AFDC receipt. By this definition, 57 percent of the study cases were shorter-term and 43 percent were longer-term.

Tables II-8 and II-9 indicate that among shorter-term cases, average family size was significantly less than among longer-term cases. The mean case size for the former was 3.1 persons, as compared to 3.8 persons for cases open longer than three years. Cases open for three years or less also tended to have significantly fewer income and benefit sources. The average number of sources among shorter-term cases was 2.6, as compared to 2.9 for cases open longer than three years. Most of this difference in average number of sources was due to the difference in average case size between the two groups.

Shorter-term and longer-term cases of sizes one, two, three and four did not differ significantly in the number of income and benefit sources. Among cases of five or more persons, longer-term cases were more likely to have a larger number of income and benefit sources (difference significant at p = .90).

The most common number of benefit sources for both longer-term and shorter-term cases was three. Of cases open three years or less, 19.1 percent received benefits from four or more sources; among cases open for more than three years, a significantly higher number (26.8 percent) had at least four benefit sources. Shorter-term cases were more likely to rely on the AFDC grant alone, with 15.1 percent receiving only one benefit, as compared with a significantly lower 8.7 percent of the longer-term cases.

Table 11-8

AFDC Case Size by Number of Income and Benefit Sources
Cases Having Opened Within Three Years of Study Month (N=587)
May 1975

AFDC Case Size	Number of Income and Benefit Sources (Percentage Distribution)								Average Number of Income and Benefit Sources
	1	2	3	4	5	6	7	Row Totals	
1	3.4	2.7	0.5	-	-	-	-	6.6	1.6
2	7.0	13.8	11.4	4.9	0.7	0.7	-	38.5	2.5
3	3.2	7.0	9.2	4.3	0.9	-	0.2	24.8	2.7
4	0.5	3.7	6.8	3.6	0.7	-	-	15.3	3.0
5	0.3	1.5	3.4	1.0	0.3	-	0.2	6.7	3.0
6 or more	0.7	2.0	3.8	0.7	0.9	-	-	8.1	2.9
Column Totals	15.1	30.7	35.1	14.5	3.5	0.7	0.4	100.0	2.6
Average Case Size (persons)	2.3	2.9	3.4	3.2	4.1	2.0	4.0	3.1	

Table II-9

AFDC Case Size by Number of Income and Benefit Sources
Cases Having Opened Over Three Years After Study Month (N=440)
May 1975

AFDC Case Size	Number of Income and Benefit Sources (Percentage Distribution)								Average Number of Income and Benefit Sources
	1	2	3	4	5	6	7	Row Totals	
1	2.3	0.9	0.5	0.2	-	-	-	3.9	1.6
2	2.3	9.8	5.2	4.1	0.5	0.2	-	22.1	2.6
3	1.8	7.7	8.2	3.9	1.6	-	-	23.2	2.8
4	1.4	4.8	9.1	3.2	2.0	0.2	-	20.7	3.0
5	0.9	2.5	5.0	2.3	2.5	0.2	-	13.4	3.3
6 or more	-	4.5	6.3	4.3	0.9	0.7	-	16.7	3.2
Column Totals	8.7	30.2	34.3	18.0	7.5	1.3	-	100.0	2.9
Average Case Size (persons)	2.6	3.5	4.1	4.1	4.2	5.2	-	3.8	

Chapter III

INCIDENCE AND VALUE OF INCOME AND BENEFIT SOURCES

This chapter presents an evaluation of all direct welfare costs which were received by the AFDC cases sampled. All welfare-related, in-kind benefits were valued at face value or at the governmental cost of providing them. The possibility that individual recipients may value in-kind welfare benefits differently than the cost of providing them will be discussed in a later chapter.

The organization of this chapter follows the previous one, in which the incidence of welfare benefits and non-welfare income was discussed. The components of income are examined in relation to the factors of location, employment, case type, and the length of time the case has been open in the current episode of assistance.

All 1,027 sample cases were examined for the receipt of as many as 21 different income and benefit sources. By definition, all cases received an AFDC grant. The next two most common benefits were Medicaid and food stamps. Table III-1 shows that Medicaid benefits for services rendered in May 1975 were paid on behalf of about 63 percent of the sample cases. The data indicate that food stamps were utilized by nearly 59 percent and that no other public benefit was received by as much as 10 percent of the sample. Nearly 19 percent of the sample cases received non-earned income such as assigned child support or social security benefits; 13 percent had earned income.

Table III-1 also shows the average value of each benefit source for cases receiving that type of income or benefit. (Note that benefit values shown here reflect mean values among cases with each benefit only, not a mean value over all cases in the sample.) The average value of Medicaid was $148 for services received during May 1975. The average food stamp bonus value was $54, the average housing subsidy was $106, and the average day care benefit was $119. For cases with non-earned, non-welfare income, the average value from this type of source was $139. The average spendable income from employment was $263.

Table III-1

Income and Benefit Sources of Michigan AFDC Cases by Sample Area
May 1975

Income or Benefit Source	Percent Receiving Each Source			Average Monthly Value of Each Source, for Cases Receiving from that Source		
	Wayne County (N=442)	Out-state (N=585)	State-wide (N=1027)	Wayne County (N=442)	Out-state (N=585)	State-wide (N=1027)
Welfare-Related Benefits						
AFDC[a]	100.0%	100.0%	100.0%	$292	$267	$278
Medicaid	55.4	68.9	63.1	174	132	148
Food Stamps	60.2	57.8	58.8	57	52	54
Housing	5.0	8.0	6.7	100	108	106
Day Care	6.6	12.1	9.7	138	110	119
Emergency Assistance	-	1.4	0.8	-	152	152
General Assistance	0.2	0.3	0.3	58	20	33
Manpower Training	-	2.4	1.4	-	103	103
Other Non-Cash[b]	0.7	0.7	0.7	87	128	110
Welfare Total				$438	$416	$425
Non-Welfare Income						
Non-Earned[c]	14.5	21.5	18.5	146	135	139
Earned	6.8	17.9	13.1	288	256	263
Non-Welfare Total				$41	$75	$61
Total				$479	$491	$486

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[a] The effective AFDC grant was calculated by taking the basic grant amount, adding any vendor paid shelter payment, and subtracting any child support payments assigned to the Michigan Department of Social Services.

[b] Other non-cash public benefits include homemaker services, chore services, etc. to which a value could be given.

[c] Non-earned income includes: social security, veteran's benefits, child support on assignment, etc.

For the statewide sample, the total value of all income and benefit sources averaged $486 for May 1975. The average case of 3.4 persons received benefits or income from 2.7 sources, including the AFDC grant. The average value of the effective AFDC grant was $278; the average value of 1.7 non-AFDC income and benefit sources was $208, including 1.4 welfare-related benefit sources valued at $147 and 0.3 non-welfare income sources averaging $61 in value. The composition of the average income and benefit package is depicted in Chart III-1.

Location

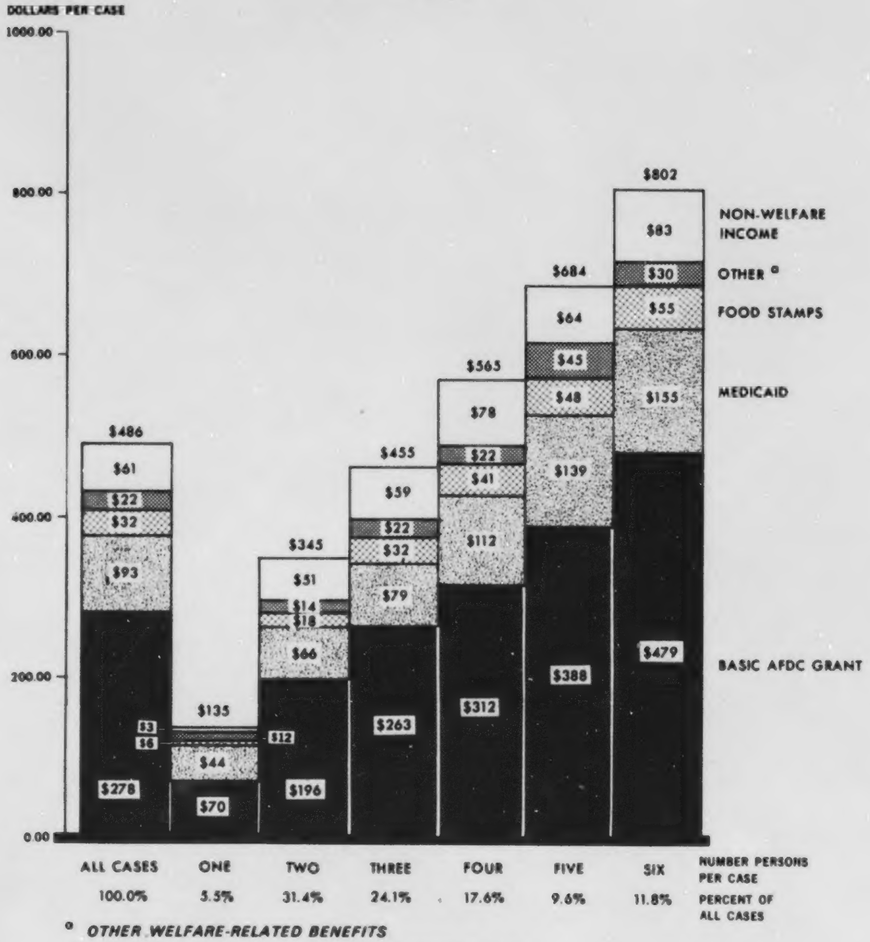
The data in Table III-1 indicate that Wayne County sample cases generally received a smaller percentage of each income and benefit source than did Outstate cases. The only exception was food stamps, for which there was no significant difference between Wayne County and Outstate cases. However, Wayne County cases tended to receive larger dollar amounts per source over all income and benefit categories. This is perhaps due to the fact that the incidence of earned income Outstate was nearly three times greater than in Wayne County and that most benefit sources are income conditioned.

For example, the average value of Medicaid was 32 percent greater for Wayne County recipients who received this benefit than for those in Outstate areas (significant at $p = .90$); food stamp benefits were a significant 10 percent greater. For cases with employment, the average earnings of those in Wayne County were about 13 percent greater than those in Outstate areas (significant at $p = .80$).

The top half of Table III-2 shows (in a component format) that the total number of income and benefit sources was 2.8 for Regular cases and 2.7 for all sample cases as a whole. Outstate cases averaged 2.9 sources, significantly more than the 2.5 sources for sample cases in Wayne County. The bottom half of Table III-2 shows that the difference between the total average values of income and benefits per case in Wayne County and Outstate did not exceed five percent. The average Wayne County case received a total of $479, while the average Outstate case received $491. The composition of these average income

CHART III-1

INCOME AND BENEFIT SOURCES OF MICHIGAN AFDC CASES BY CASE SIZE MAY 1975



° OTHER WELFARE-RELATED BENEFITS

SOURCE: 1975 MICHIGAN AFDC MULTIPLE BENEFIT FILE.

Table III-2

Incidence and Average Values of Welfare and Non-Welfare Benefits and Income of Michigan AFDC Cases by Sample Area and Case Type May 1975

Income and Benefit Category	Sample Area					
			Statewide			
	All Cases: Wayne County (N=442)	All Cases: Outstate (N=585)	All Cases	R Cases (N=819)	U and I Cases (N=80)	Other Cases (N=128)
1. Average Number of Income and Benefit Sources per Case per Month						
A. AFDC[a]	1.0	1.0	1.0	1.0	1.0	1.0
B. Welfare-Related Income and Benefits other than AFDC	1.3	1.5	1.4	1.5	1.7	0.6
C. Earned Income	.07	.18	.19	.15	.19	.03
D. Non-Earned, Non-Welfare Related Income[b]	.15	.22	.13	.19	.14	.18
E. Total	2.5	2.9	2.7	2.8	3.0	1.8
2. Average Value of Income and Benefits per Case per Month						
A. AFDC[a]	$292	$267	$278	$290	$380	$136
B. Welfare-Related Income and Benefits other than AFDC	146	149	147	147	252	86
C. Earned Income	20	46	35	38	37	10
D. Non-Earned, Non-Welfare Related Income[b]	21	29	26	26	37	18
E. Total	$479	$491	$486	$501	$706	$250

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[a] The effective AFDC grant was calculated by taking the basic grant amount, adding any vendor paid shelter payment, and subtracting any child support payments assigned to the Michigan Department of Social Services.

[b] Non-earned income includes: social security, veteran's benefits, child support on assignment, etc.

and benefit packages is depicted in Chart III-2. Even though Wayne County sample cases averaged 16 percent fewer total income and benefit sources, the average value of income and benefits per case was not significantly different from Outstate cases. The average AFDC payment was $25 lower in the Outstate subsample than in Wayne County, but this was more than offset by an earned income average (over all cases) which exceeded the Wayne County average by $26 and a non-earned income average that was $8 higher.

The highest average monthly value figure was recorded for Unemployed Father and Incapacitated Parent cases, due in part to their larger average size, the resulting receipt of an average AFDC grant of $380 per case, and an average value of other welfare-related benefits equal to $252 per case.

Employment

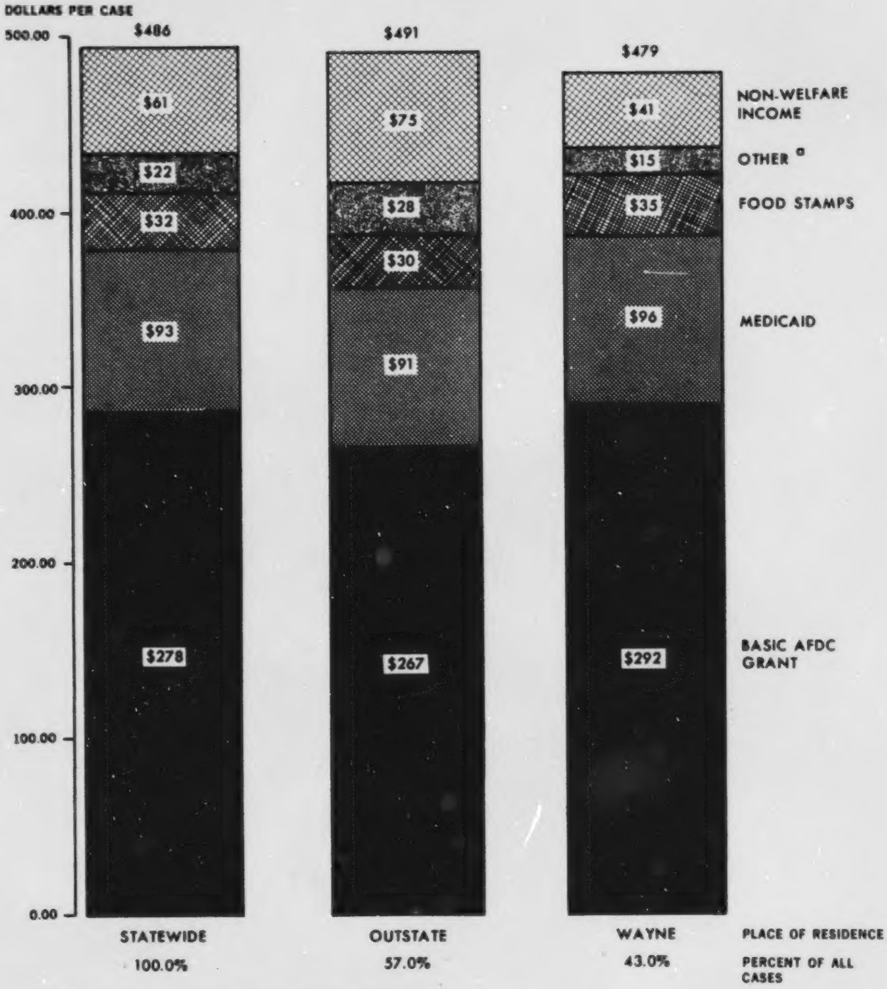
When cases with employment are compared to those without employment with respect to specific benefit and income areas, some notable differences are seen. Table III-3 shows that both the frequency and average value of food stamp purchases are higher in cases without employment than in those with employment. Although Medicaid utilization was not significantly different in cases with an employed member, the average value of Medicaid was only $93 as compared to $157 for those families without earned income.

A full third of all cases with spendable earned income used day care, although the average value was slightly less than for those cases without employment. Proportionately, twice as many cases with employment had housing benefits; cases without employment, however, had an average value of housing benefits which was over 22 percent greater.

A significantly higher percentage of cases with manpower/training benefits appeared in cases with employment. This finding may indicate that those conditions which permit a case member to work also provide increased training opportunities for other positions, either to upgrade skills for the current job or to allow other case members to train for jobs. The average monthly value of manpower/training benefits among

CHART III-2

INCOME AND BENEFIT SOURCES OF MICHIGAN AFDC CASES BY PLACE OF RESIDENCE MAY 1975



a *OTHER WELFARE-RELATED BENEFITS*

SOURCE: 1975 MICHIGAN AFDC MULTIPLE BENEFIT FILE.

Table III-3

Income and Benefit Sources of Michigan AFDC Cases by Presence of Employment May 1975

Income or Benefit Source	Percent Receiving Each Source			Average Monthly Value of Each Source, for Cases Receiving from that Source		
	No Employment (N=892)	Employment (N=135)	Total (N=1027)	No Employment (N=892)	Employment (N=135)	Total (N=1027)
Welfare-Related Benefits						
AFDC[a]	100.0%	100.0%	100.0%	$288	$208	$278
Medicaid	62.7	63.9	63.1	157	93	148
Food Stamps	60.8	45.9	58.8	56	39	54
Housing	5.9	11.9	6.7	110	90	106
Day Care	6.2	33.3	9.7	121	116	119
Emergency Assistance	0.8	0.7	0.8	163	78	152
General Assistance	0.3	-	0.3	33	-	33
Manpower Training	0.8	5.2	1.4	71	136	103
Other Non-Cash[b]	0.8	-	0.7	110	-	110
Welfare Total				$437	$345	$425
Non-Welfare Income						
Non-Earned[c]	18.4	19.3	18.5	145	103	139
Earned	-	100.0	13.1	-	263	263
Non-Welfare Total				$27	$283	$61
Total				$464	$628	$486

[a] The effective AFDC grant was calculated by taking the basic grant amount, adding any vendor paid shelter payment, and subtracting any child support payments assigned to the Michigan Department of Social Services.

[b] Other Non-cash public benefits include homemaker services, chore services, etc. to which a value could be given.

[c] Non-earned income includes: social security, veteran's benefits, child support on assignment, etc.

employed cases was almost double that received by cases without employment.

Considering the total value of all welfare-related benefits, cases without employment averaged $437, or 27 percent more than cases with earnings. The smaller average grant found in cases with employment, however, accounted for about 87 percent of this difference, reflecting the fact that net earned income serves to replace welfare income. On the whole, however, cases with employment more often received benefits from four or more welfare-related sources than did cases where employment was absent (Table III-4). Over 19 percent of cases with employment had four or more welfare-related benefits, significantly more than the eight percent of cases without employment. Clearly, employment is no deterrent to the use of welfare-related benefits, but it does tend to be associated with a lower aggregate value of these benefits.

Table III-4

Number of Welfare-Related Benefits of Michigan AFDC Cases by Employment Status, May 1975

Employment Status	Number of Welfare-Related Benefits (Percentage Distribution)						Total
	1	2	3	4	5	6	
No Employment (N=892)	17.0%	36.9%	38.0%	7.2%	0.8%	0.1%	100.0%
Employment (N=135)	13.3	32.6	34.8	17.0	1.5	0.7	99.9[a]

[a] Does not equal 100.0 because of rounding.

Table III-3 indicates that the incidence of non-earned, non-welfare income is approximately the same in both subsamples. Nevertheless, the value of this benefit was significantly higher for cases without employment, averaging $145 per case as compared to $103 for cases with earnings. Spendable earned income averaged $263 to cases which had an employed member. Apparently, receipt of non-earned, non-welfare income of itself is not related to the likelihood of employment.

When the average values of all income and benefit sources are compared, the total income for cases with employment was over 35 percent higher than for cases with no employment (difference significant at $p = .95$). Spendable income from employment accounted for all of this difference. A distribution of the value of all income and benefit sources (Table III-5) shows that over 71 percent of cases with earned income had a total value of all income and benefits equal to $500 or more, as compared to 33 percent of cases without employment. Since Medicaid accounts for much of the total value of some of these cases, an "insurance value" (or population mean value) of Medicaid was substituted in each case.[1] This procedure increases the percentage of cases with employment having a total value equal to or greater than $500 to 81 percent, while increasing the corresponding percentage of cases without employment to 35 percent. These data demonstrate that the average amount of earned income is directly related to the total value of all income and benefit sources, with the relationship more clearly evident when an insurance value for Medicaid is used.

Case Type

As indicated in Tables III-2 and III-6, Regular AFDC cases (i.e., most commonly one-parent, female-headed households) were not too unlike the average AFDC case. Data for the Regular cases in the sample in-

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[1] This procedure is explained in detail in Chapter V, page 59.

Table III-5

Total Amount of All Income and Benefit Sources of Michigan AFDC Cases by Employment Status May 1975

Employment Status	Total Amount of All Income and Benefits (in dollars)											
	10-99	100-199	200-299	300-399	400-499	500-599	600-699	700-799	800-899	900-999	1000+	Total
Medicaid at Actual Value												
No Employment (N=892)	5.0	6.6	16.4	23.5	15.5	13.2	7.8	3.7	2.7	1.3	4.1	99.8[a]
Employment (N=135)	-	0.7	0.7	15.6	11.9	22.9	19.3	12.6	4.4	5.2	6.7	100.0
Mean Amount of Earned Income	-	$60	$87	$137	$242	$251	$291	$301	$410	$384	$339	$263
Medicaid at Insurance Value												
No Employment (N=892)	-	5.5	8.3	24.6	26.2	16.0	10.9	5.2	2.2	0.9	0.2	100.0
Employment (N=135)	-	-	0.7	3.7	14.8	15.6	28.1	17.0	10.4	4.4	5.2	99.9[a]
Mean Amount of Earned Income	-	-	$60	$60	$151	$234	$277	$274	$364	$425	$398	$263

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[a] Does not equal 100.0 because of rounding.

dicate an average total of all benefit and income sources of $501 for May 1975, including an average $290 effective AFDC payment. For all Regular cases, non-AFDC benefit sources averaged $211 in value, including $147 in welfare-related benefits and $64 from non-welfare sources.

Among Regular AFDC cases, a positive relationship was identified between family size and the number of income and benefit sources (Table III-6). For families of size four or larger, however, the average number of sources was essentially the same. In no case did the average number of income and benefit sources for any family size differ by more than ± 0.3 sources from the average of 2.9 for all Regular cases (i.e., the range of means was 2.6 to 3.2). In general, the total value of all welfare-related benefits (including the AFDC grant) increased with family size. For families of two persons, the average monthly value of welfare-related benefits was $294; for families of three, the average was $413; for families of four, $474; for families of five, $612; and for families of six or more, $726. This finding is not surprising, since the AFDC grant is based in part on family size. For all Regular cases, the monthly value of welfare-related income and benefit sources averaged $437, accounting for over 87 percent of the value from all income and benefit sources.

Receipt of welfare-related benefits other than the AFDC grant also generally increased with family size among Regular cases. Very little relationship, however, was observed between family size and the incidence and value of earned income. For example, incidence of earnings was highest for families of four and lowest for size three; families of six or more had the highest average level of earnings, while those of four the lowest. Similarly, little relationship between family size and the receipt of non-earned income was found, although the average value did increase with size. Again, this is probably due to the fact that the value of unearned income is frequently related to family size.

Table III-6

Distribution of Income and Benefits of Michigan Regular AFDC Cases by Source and Case Size
May 1975

Family Size	Welfare-Related Income and Benefits															
	AFDC[a]	Medicaid	Food Stamps	Housing	Day Care	Emergency Assistance	General Assistance	Manpower Training	Other Non-Cash[b]	Welfare Total less AFDC	Non-Earned Income[c]	Earned Income	Average Number of Income and Benefit Sources	Average Value of All Welfare-Related Benefits	Average Value of Income and Benefits from All Sources	Value of Welfare-Related Benefits as a Percentage of Total
2 Persons: (N=288)																
Percent	100.0%	58.3%	52.4%	3.1%	10.4%		0.3%	6.9%	0.3%	81.6%	15.6%	14.9%				
Average Value	$204	$101	$36	$101	$82	-	$30	$38	$39	$110	$67	$271	2.6	$294	$350	84.0%
3 Persons: (N=211)																
Percent	100.0	62.6	69.7	7.1	12.3	4.7%	0.5	9.5	0.9	87.7	16.1	13.7				
Average Value	$271	$133	$49	$92	$123	$90	$10	$70	$140	$161	$80	$275	2.8	$413	$470	87.9
4 Persons: (N=147)																
Percent	100.0	72.1	72.8	9.5	10.2			1.4	-	91.8	27.2	16.3				
Average Value	$310	$135	$60	$94	$128	-	-	$98	-	$179	$106	$212	3.1	$474	$555	85.4
5 Persons: (N=81)																
Percent	100.0	76.5	71.6	17.3	11.1	2.5		1.2	3.7	91.4	17.3	13.6				
Average Value	$390	$169	$66	$113	$166	$66	-	$180	$83	$243	$109	$255	3.2	$612	$677	90.4
6 or more Persons: (N=92)																
Percent	100.0	71.7	71.7	12.0	9.8	2.2		3.3	-	93.5	21.7	14.1				
Average Value	$480	$217	$76	$119	$113	$247	-	$158	-	$264	$120	$294	3.1	$726	$802	90.5
Total: (N=819)																
Percent	100.0	65.2	64.6	7.7	10.9	0.6	0.2	1.2	0.7	87.3	18.7	14.7				
Average Value	$290	$138	$53	$103	$113	$143	$20	$107	$95	$168	$97	$261	2.9	$437	$501	87.2

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[a] The effective AFDC grant was calculated by taking the basic grant amount, adding any vendor paid shelter payment, and subtracting any child support payments assigned to the Michigan Department of Social Services.

[b] Other non-cash public benefits include homemaker services, chore services, etc. to which a value could be given.

[c] Non-earned income includes: social security, veteran's benefits, child support on assignment, etc.

Data regarding other case types is summarized in Table III-2. Cases with an unemployed father or incapacitated parent--generally two-parent families--received an average of $706 per month from all income and benefit sources. This included an average AFDC grant of $380 and $252 in welfare-related benefits. Earned income and unearned, non-welfare income averaged $37 each.

Other cases, consisting primarily of children living with ineligible grantees (stepfathers, grandparents, etc.), received a total of all income and benefits that averaged $250 per month, including an AFDC grant of $136 and welfare-related benefits of $86. Unearned income averaged $18 for these cases, while earned income averaged $10.

Table III-7 provides a picture of the distribution of income and benefit sources for each family size within each of the case type categories. Chart III-3 depicts the composition of the average income and benefit package by case type. The average value of income and benefits from all sources for ineligible grantee cases, composed of children living with non-legally responsible stepparents and self-supporting relatives, was less than that received for Regular, Unemployed Father, or Incapacitated Parent cases. In fact, while the average number of income and benefit sources was about one less among ineligible grantee cases than among Regular cases, the average total value was 50 percent less. This is explained by the lower public assistance standard for such cases and the fact that these households are less often eligible for other types of welfare-related benefits.

On the other hand, the average value of income and benefits received by Unemployed Father and Incapacitated Parent cases was $706, significantly more than the average of $486 for all sample cases. These cases are primarily intact families, which tend to include larger numbers of persons than other AFDC families and to incur larger shelter costs. Further, such cases tend to receive Medicaid benefits more frequently and in greater amounts than do Regular cases.

Table III 7

Distribution of Income and Benefits of Michigan AFDC Cases by Source, by Case Size, by Type of Case
May 1975

Family Size and Type of Case	Welfare-Related Income and Benefits										Non-Earned Income[c]	Earned Income	Average Number of Income and Benefit Sources	Average Value of Income and Benefits from All Sources
	AFDC[a]	Medicaid	Food Stamps	Housing	Day Care	Emergency Assistance	General Assistance	Manpower Training	Other Non-Cash[b]	Welfare Total Less AFDC				
AFDC Size = 1 (5.5% of all cases)														
Other (N=56)	100.0%	31.5%	9.3%	1.9%	7.4%					42.6%	10.7%		1.6	$135
Total (N=56)	100.0	31.5	9.3	1.9	7.4					42.6	10.7		1.6	
Average Value	$70	$145	$63	$257	$112					$151	$29			$135
AFDC Size = 2 (31.5% of all cases)														
R (N=288)	100.0	58.3	52.4	3.1	10.4		0.3%	6.9%	0.3%	81.6	15.6	14.9%	2.6	$350
U and I (N=2)	100.0	50.0	100.0	50.0					50.0	100.0			3.5	$389
Other (N=33)	100.0	51.5	15.2		9.1		3.0			66.7	21.2		2.0	$300
Total (N=323)	100.0	57.6	48.9	3.1	10.2		0.6	0.6	0.6	80.2	16.1	13.3	2.5	
Average Value	$196	$114	$36	$99	$92		$44	$38	$120	$122	$97	$271		$345
AFDC Size = 3 (24.1% of all cases)														
R (N=211)	100.0	62.6	69.7	7.1	12.3	4.7	0.5	9.5	0.9	87.7	16.1	13.7	2.8	$470
U and I (N=13)	100.0	53.8	69.2	7.7						76.9	23.1	7.7	2.6	$446
Other (N=23)	100.0	43.5	17.4	4.3	4.3					52.2	21.7	6.1	2.0	$325
Total (N=247)	100.0	60.3	61.8	6.9	10.9	0.4	0.4	0.8	0.8	83.8	17.0	13.0	2.8	
Average Value	$263	$131	$50	$95	$125	$90	$10	$70	$140	$159	$138	$276		$455
AFDC Size = 4 (17.6% of all cases)														
R (N=147)	100.0	72.1	72.8	9.5	10.2			1.4		91.8	27.2	16.3	3.1	$555
U and I (N=25)	100.0	80.0	68.0		4.0	4.0				96.0	20.0	8.0	2.8	$690
Other (N=9)	100.0	44.4								44.4	22.2	11.1	1.8	$365
Total (N=181)	100.0	71.8	68.5	9.5	8.8	0.6		1.1		90.1	26.0	14.9	3.0	
Average Value	$312	$156	$59	$94	$132	$345		$98		$19[illegible]	$174	$219		$565
AFDC Size = 5 (9.6% of all cases)														
R (N=81)	100.0	76.5	71.6	17.3	11.1	2.5		1.2	3.7	91.4	17.3	13.6	3.2	$677
U and I (N=14)	100.0	85.7	85.7		14.3	14.3		14.3		100.0	7.1	21.4	3.4	$787
Other (N=4)	100.0	75.0								75.0	25.0	25.0	2.3	$475
Total (N=99)	100.0	77.8	70.1	14.1	11.1	4.0		3.0	3.0	91.9	16.2	15.2	3.2	
Average Value	$388	$179	$68	$113	$170	$72		$152	$83	$252	$177	$235		$684
AFDC Size = 6+ (11.8% of all cases)														
R (N=92)	100.0	71.7	71.7	12.0	9.8	2.2		3.3		93.5	21.7	14.1	3.1	$802
U and I (N=26)	100.0	80.8	76.9	7.7				7.7		100.0	23.1	19.2	3.2	$831
Other (N=3)	100.0	66.7	33.3							66.7	33.3		2.3	$551
Total (N=121)	100.0	73.6	71.9	10.7	7.4	1.7		4.0		94.2	22.3	14.9	3.1	
Average Value	$479	$211	$77	$118	$113	$247		$116		$255	$163	$312		$802
State Totals														
R (N=819)	100.0	65.2	64.6	7.7	10.9	0.6	0.2	1.2	0.7	87.3	18.7	14.[illegible]	2.9	$501
U and I (N=80)	100.0	76.3	75.0	5.0	3.8	3.8		5.0	1.3	95.0	18.8	13.8	3.0	$706
Other (N=128)	100.0	41.4	11.7	1.6	6.3		0.8			51.6	17.2	3.1	1.8	$248
Total (N=1027)	100.0	63.1	58.8	6.7	9.7	0.8	0.3	1.4	0.7	83.5	18.5	13.1	2.7	
Average Value	$278	$148	$54	$106	$119	$152	$33	$103	$110	$176	$139	$263		$486

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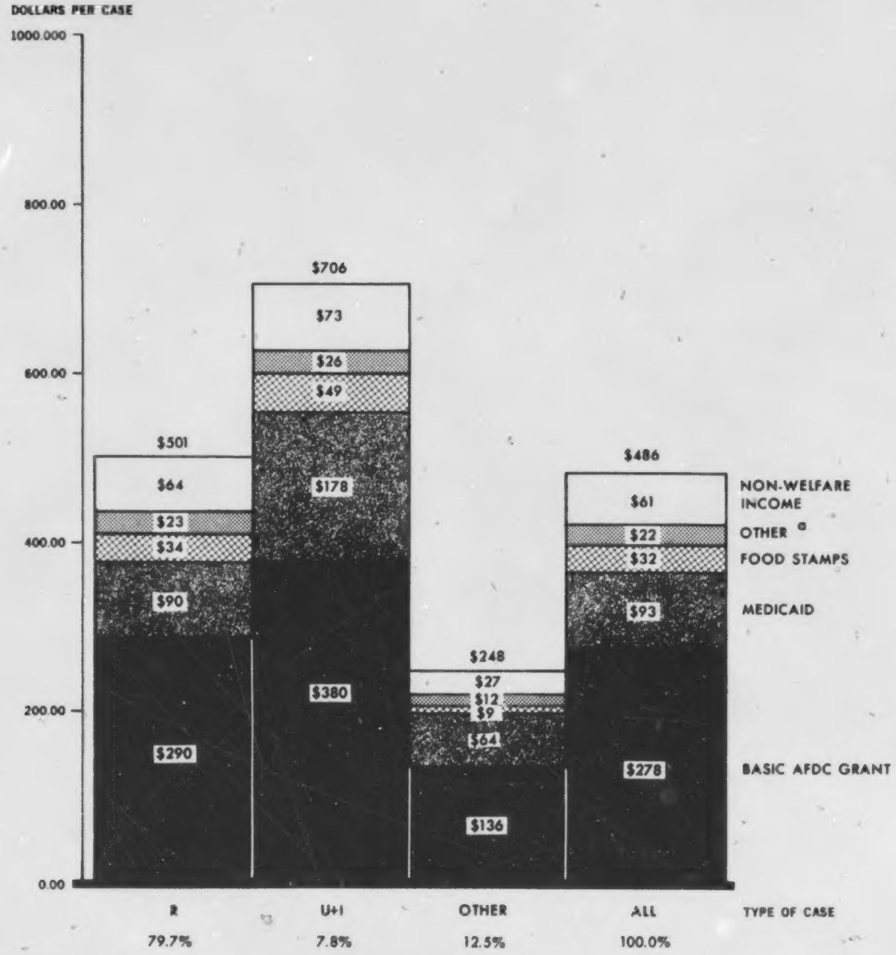
[a] The effective AFDC grant was calculated by taking the basic grant amount, adding any vendor paid shelter payments, and subtracting any child support payments assigned to the Michigan Department of Social Services.

[b] Other non-cash public benefits include homemaker services, chore services, etc. to which a value could be given.

[c] Non-earned income includes: social security, veteran's benefits, child support on assignment, etc.

CHART III-3

INCOME AND BENEFIT SOURCES OF MICHIGAN AFDC CASES BY CASE TYPE MAY 1975.



ᵃ *OTHER WELFARE-RELATED BENEFITS*

SOURCE: 1975 MICHIGAN AFDC MULTIPLE FILE.

Time on Assistance

Table III-8 compares how income and benefit sources were distributed among sample cases which had opened within three years of the study month (shorter-term cases) and those cases which had been open for more than three years (longer-term cases). The incidence of receipt differed between these groups only with regard to food stamps, housing benefits, and day care--all of which were received significantly more often by those cases which had been open continuously for 37 months or more. Table III-8 also reveals that among longer-term cases the average value of all welfare-related benefits was $548 per month, significantly greater than the $439 observed for shorter-term cases.

The average value of all welfare-related benefits increased with the amount of time since the case was opened (Table III-9). However, longer-term cases tend to have larger families, and this result is explained primarily by differences in family size.

With the exception of cases which opened within six months of the study month, there was no clear relationship between employment and time on assistance. Fully 15 percent of all cases without earnings in the study month had been open six months, a proportion significantly greater than the 6.7 percent of those cases with earned income. Further, no recognizable pattern was found when the average value of earnings was compared to the amount of time since the most recent opening (Table III-10). Among cases with earnings, those open six months or less had lower mean earnings than cases open for longer periods. Beyond six months, however, the mean value of monthly earned income per case did not change substantially.

Table III-8

Income and Benefit Sources of Michigan AFDC Cases by Length of Time on Assistance May 1975

Income or Benefits Source	Percent Receiving Each Source			Average Monthly Value of each Source for Cases Receiving from that Source		
	Shorter-term Cases (N=587)	Longer-term Cases (N=440)	Total (N=1027)	Shorter-term Cases (N=587)	Longer-term Cases (N=440)	Total (N=1027)
Welfare-Related Benefits						
AFDC[a]	100.0%	100.0%	100.0%	$258	$304	$278
Medicaid	62.4	64.1	63.1	127	176	148
Food Stamps	53.3	66.1	58.1	52	58	54
Housing	3.7	10.7	6.7	99	109	106
Day Care	8.0	12.0	9.7	106	130	119
Emergency Assistance	0.9	0.7	0.8	208	58	152
General Assistance	0.3	0.2	0.3	44	10	33
Manpower Training	1.5	1.1	1.4	73	159	103
Other Non-Cash[b]	0.5	0.9	0.7	104	114	110
Welfare Total				$380	$485	$425
Non-Welfare Income						
Non-Earned[c]	18.6	18.4	18.5	141	137	139
Earned	12.9	13.4	13.1	250	281	263
Non-Welfare Total				$59	$63	$63
Total				$439	$548	$486

[a] The effective AFDC grant was calculated by taking the basic grant amount, adding any vendor paid shelter payment, and subtracting any child support payments assigned to the Michigan Department of Social Services.

[b] Other non-cash public benefits include homemaker services, chore services, etc. to which a value could be given.

[c] Non-earned income includes: social security, veteran's benefits, child support on assignment, etc.

Table III-9

Mean Amount of Welfare-Related Benefits of Michigan AFDC Cases by Length of Time on Assistance May 1975

Time Since Most Recent Opening (months)	Mean Amount	Percent	Mean Family Size
0-6 (N=143)	$348	13.9%	2.9
7-12 (N=124)	364	12.1	2.7
13-24 (N=165)	390	16.1	3.1
25-36 (N=155)	412	15.1	3.4
37-48 (N=147)	464	14.3	3.6
49-60 (N=94)	437	9.2	3.4
61 or more (N=199)	523	19.4	4.2
Total (N=1027)	$425	100.1[a]	3.4

[a] Does not equal 100.0 because of rounding.

Table III-10

Time Since Most Recent Opening of Michigan AFDC Cases by Employment Status May 1975

Employment Status	Time Since Most Recent Opening (in months)							Total
	0-6	7-12	13-24	25-36	37-48	49-60	61 or more	
No Employment (N=892)	15.0%	11.8%	15.6%	14.9%	14.5%	9.2%	19.1%	100.1%[a]
Employment (N=135)	6.7	14.1	19.3	16.3	13.3	8.9	21.5	100.1[a]
Mean Value of Earnings	$170	$250	$281	$246	$293	$266	$280	$263

[a] Does not equal 100.0 because of rounding.

Chapter IV

COMBINATIONS OF INCOME AND BENEFIT SOURCES

This chapter briefly discusses how the various income and benefit sources were combined within the total sample of AFDC cases. The most prevalent combinations are examined with respect to their frequency, average value, and location within the State.

Among the 1,027 sample cases there were 122 unique income and benefit combinations. Four combinations together, however, accounted for 62 percent of all cases studied. As indicated in Table IV-1, the most frequently received benefit combination consisted of the AFDC grant, Medicaid, and food stamps and was received by 24 percent of sample cases. AFDC and Medicaid, AFDC and food stamps, and the AFDC grant alone were each received by about one-eighth of the sample cases.

Table IV-1

Most Common Benefit Combinations for Michigan AFDC Cases by Area
May 1975

Combination	Percent of all cases			Average Monthly Value			Average Family Size		
	State-wide	Out-state	Wayne County	State-wide	Out-state	Wayne County	State-wide	Out-state	Wayne County
1. AFDC[a], Food Stamps, and Medicaid	24.0%	23.6%	24.4%	$542	$534	$552	3.7	3.6	3.8
2. AFDC and Medicaid	13.0	12.0	14.3	458	491	421	3.0	2.9	3.1
3. AFDC and Food Stamps	12.6	8.2	18.3	384	360	398	3.3	2.9	3.6
4. AFDC only	12.4	10.1	15.4	203	168	233	2.4	2.0	2.7
Subtotal	62.0	53.9	72.4						
5. All others	38.0	46.1	27.6	587	568	634	3.7	3.6	3.8
Total	100.0	100.0	100.0						

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[a] The effective AFDC grant was calculated by taking the basic grant amount, adding any vendor paid shelter payment, and subtracting any child support payments assigned to the Michigan Department of Social Services.

As expected, the value of the benefit packages was related to the number of benefit sources. The smallest value was the AFDC grant alone, which was worth $203. The combination of AFDC, food stamps, and Medicaid provided $542. The remaining 118 income and benefit combinations, exclusive of the four mentioned above, were worth an average of $587 per month. This value reflects the fact that most of these 118 combinations include benefits from at least three sources.

The 16 most commonly received unique benefit and income combinations are presented in Table IV-2. The actual sample size, the percentage receiving that combination, and the total monthly value of each combination are also shown. Data summarized in this table also indicate that the total value of the benefit combination tends to increase with the number of benefits. This is principally the result of larger family size, larger AFDC payments, and the larger value of non-AFDC, welfare-related benefits among cases with more benefits.

Location

Tables IV-3 and IV-4 present the 16 most commonly received benefits among Wayne County and Outstate cases respectively. The four previously mentioned combinations which accounted for 62 percent of all sample cases are broken down by area in Table IV-1.

These four combinations accounted for more than 72 percent of the Wayne County sample cases and about 54 percent of the Outstate cases. The fact that Wayne County recipients generally had fewer income and benefit sources with higher values than Outstate recipients is further confirmed by this comparison.

Table IV-2

Most Frequent Unique Income and Benefit Combinations and Average Value of Monthly Amounts Received
Statewide Sample, May 1975

Income and Program Combinations	Total Number and Percent of Cases Receiving Combinations		Monthly Average Value of Income and Benefits from All Sources	Average Case Size
	Sample Size	Percent		
AFDC[a], Food Stamps, and Medicaid	246	24.0%	$542	3.7
AFDC, Medicaid	133	13.0	458	3.0
AFDC, Food Stamps	129	12.6	384	3.3
AFDC	127	12.4	203	2.4
AFDC, Food Stamps, Medicaid, and Child Support on Assignment	25	2.4	561	3.8
AFDC, Medicaid and Earned Income	20	1.9	682	4.7
AFDC, Medicaid, Food Stamps, and Day Care	18	1.8	663	3.3
AFDC, Medicaid, Food Stamps, Earned Income	18	1.8	601	3.8
AFDC, Food Stamps, Medicaid, and Housing	17	1.7	802	4.4
AFDC, Earned Income	16	1.6	442	2.9
AFDC, Child Support on Assignment	14	1.4	254	2.8
AFDC, Medicaid, Child Support on Assignment	14	1.4	302	2.4
AFDC, Medicaid, Day Care, Earned Income	14	1.4	689	3.1
AFDC, Food Stamps, Housing	11	1.1	570	4.5
AFDC, Food Stamps, Earned Income	10	1.0	505	3.1
AFDC, Food Stamps, Medicaid, Day Care, Earned Income	10	1.0	687	3.2
Others	205	20.0	596	3.7
Total - All Cases	1,027	100.0	$487	3.4

---

[a] The effective AFDC grant was calculated by taking the basic grant amount, adding any vendor paid shelter payment, and subtracting any child support payments assigned to the Michigan Department of Social Services.

Table IV-3

Most Frequent Unique Income and Benefit Combinations and Average Value of Monthly Amounts Received Wayne County Cases, May 1975

Income and Program Combinations[a]	Total Number and Percent of Cases Receiving Combinations		Monthly Average Value of Income and Benefits from All Sources	Average Case Size
	Sample Size	Percent		
AFDC[b], Food Stamps, and Medicaid	108	24.4%	$552	3.8
AFDC, Medicaid	63	14.3	421	3.1
AFDC, Food Stamps	81	18.3	398	3.6
AFDC	68	15.4	233	2.7
AFDC, Food Stamps, Medicaid, and Child Support on Assignment	6	1.4	670	4.3
AFDC, Medicaid and Earned Income	3	0.7	1,186	5.0
AFDC, Medicaid, Food Stamps, and Day Care	5	1.1	858	3.6
AFDC, Medicaid, Food Stamps, Earned Income	8	1.8	571	3.5
AFDC, Food Stamps, Medicaid, and Housing	5	1.1	874	4.2
AFDC, Earned Income	4	0.9	533	3.5
AFDC, Child Support on Assignment	7	1.6	234	2.6
AFDC, Medicaid, Child Support on Assignment	6	1.4	292	2.5
AFDC, Medicaid, Day Care, Earned Income	2	0.5	649	3.5
AFDC, Food Stamps, Housing	5	1.1	612	4.8
AFDC, Food Stamps, Earned Income	4	0.9	532	4.3
AFDC, Food Stamps, Medicaid, Day Care, Earned Income	2	0.5	724	3.0
Others	65	14.7	661	3.8
Total - All Cases	442	100.0	$479	3.5

[a] Combinations are listed in the same order as they appear in Table IV-2.

[b] The effective AFDC grant was calculated by taking the basic grant amount, adding any vendor paid shelter payment, and subtracting any child support payments assigned to the Michigan Department of Social Services.

Table IV-4

Most Frequent Unique Income and Benefit Combinations and Average Value of Monthly Amounts Received Outstate Cases, May 1975

Income and Program Combinations[a]	Total Number and Percent of Cases Receiving Combinations		Monthly Average Value of Income and Benefits from All Sources	Average Case Size
	Sample Size	Percent		
AFDC,[b] Food Stamps, and Medicaid	138	23.6%	$534	3.6
AFDC, Medicaid	70	12.0	491	2.9
AFDC, Food Stamps	48	8.2	360	2.9
AFDC	59	10.1	168	2.0
AFDC, Food Stamps, Medicaid, and Child Support on Assignment	19	3.2	527	3.7
AFDC, Medicaid and Earned Income	17	2.9	593	4.5
AFDC, Medicaid, Food Stamps, and Day Care	13	2.2	588	3.2
AFDC, Medicaid, Food Stamps, Earned Income	10	1.7	624	4.1
AFDC, Food Stamps, Medicaid, and Housing	12	2.1	772	4.5
AFDC, Earned Income	12	2.1	412	2.8
AFDC, Child Support on Assignment	7	1.2	274	3.0
AFDC, Medicaid, Child Support on Assignment	8	1.4	309	2.3
AFDC, Medicaid, Day Care, Earned Income	12	2.1	696	3.0
AFDC, Food Stamps, Housing	6	1.0	536	4.3
AFDC, Food Stamps, Earned Income	6	1.0	488	2.3
AFDC, Food Stamps, Medicaid, Day Care, Earned Income	8	1.4	678	3.3
Others	140	23.9	567	3.7
Total - All Cases	585	100.0	$493	3.3

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[a] Combinations are listed in the same order as they appear in Table IV-2.

[b] The effective AFDC grant was calculated by taking the basic grant amount, adding any vendor paid shelter payment, and subtracting any child support payments assigned to the Michigan Department of Social Services.

Chapter V

DISTRIBUTION OF INCOME AND BENEFIT VALUE

Discussion to this point has focused on the average number and the average value of income and benefit combinations actually received by Michigan AFDC families in May 1975. In the description and analysis of income and benefit receipt patterns, a number of variables have been examined for their possible contribution in accounting for variations in the number and value of income and benefit combinations observed. These variables have included such factors as case size, case type, geographic location (Wayne County vs. Outstate counties), employment, and length of AFDC receipt during the most recent period of assistance. In this chapter the distribution of income and benefit value will be examined.

In addition, discussion to this point has defined the dollar value of income and benefits received such that all sources have been counted at full face value or at the actual cost to the government of providing in-kind benefits to AFDC recipients. This definition will continue to be used in the income distributions disucssed in this chapter. In the next chapter, however, alternative concepts of income definition will be presented and implications of their use will be explored. Comparison will then be made with commonly used income benchmarks, such as the Poverty Line, utilizing the information developed regarding the distribution of the value of income and benefits under these alternative definitions of income.

In this section, the value placed on income and benefits received by AFDC families is the actual amount of cash income plus the actual cost to the government of providing in-kind benefits to that household. This definition presents no conceptual problem as it relates to cash income, inasmuch as cash received is an unambiguous measure of the money value of such income or benefits. (This of course abstracts from any psychological discounting which may be attached to the receipt of particular kinds of cash income, such as welfare checks.)

However, it is somewhat problematic to assume that the value placed on an in-kind benefit provided by a governmental agency has the same value to the recipient as the cost to the government to provide that in-kind benefit.[1] It is possible, of course, that in the real world an individual would value the food stamp bonus, the Medicaid service, or the social service such as day care or training, at the same value as the governmental cost. However, this would require the recipient, if he or she had an identical amount of income fully in cash, to spend the same proportion for precisely the same serivces as those provided in-kind by the government.

With the heroic nature of this assumption set forth clearly at the onset, the balance of this chapter will present total income distributions which result from presuming that all income, cash and in-kind, can be valued on a cost-to-the-government basis and added together to arrive at a total value for all sources of income and benefit. Table V-1 shows the percentage distribution for all cases as well as for specific case types. For Regular AFDC cases, distribution is also shown by the number of persons in the case. Charts V-1 and V-2 present these distributions in graphic form.

Looking at the distribution for all cases, the results clearly indicate a wide variation in the total value of income and benefits received. At the lower extreme, about four percent of all cases had total income and benefits valued at less than $100, while at the upper extreme a similar proportion had a total value which exceeded $1,000 per month. The median value of income and benefit sources was $420 per month; the mean value over all cases was $486 per month.

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[1] The question of how to deal with in-kind, nonmoney income has been discussed at length by economists and social scientists. However, no consensus has developed concerning the measurement of such income. For recent treatments of this issue, see Mollie Orshansky, Harold Watts, Bradley Schiller, and John Korbel, "Measuring Poverty: A Debate," Public Welfare, Vol. 36, No. 2 (Spring 1978), pp. 46-55; Richard D. Coe, "The Poverty Line: Its Function and Limitations," Public Welfare, Vol. 36, No. 1 (Winter 1978), pp. 32-36; and U.S. Department of Health, Education, and Welfare, In-Kind Income and the Measurement of Poverty, The Measue of Poverty, Technical Paper 7, by Janice Peskin, HEW (Washington, D.C., 1976).

Table V-1

Percentage Distribution of Total Income and Benefit Amounts[a]

Michigan, May 1975

Total Income and Benefits All Sources (per month)	Case Size: Regular AFDC, Statewide						Unemployed Father Cases: Total (N=46)	Incapacitated Cases Total (N=34)	All Others (N=128)	All Cases (N=1027)
	2 (N=288)	3 (N=211)	4 (N=147)	5 (N=81)	6 or more (N=92)	Total R Cases (N=819)				
$ 0 - 99	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	34.1%	4.4%
100-199	10.1	0.5	-0-	-0-	-0-	3.7	-0-	-0-	23.8	5.8
200-299	35.4	7.6	2.0	-0-	-0-	14.8	-0-	-0-	20.6	14.3
300-399	34.4	44.1	10.2	4.9	1.1	25.9	17.4	5.9	7.1	22.5
400-499	8.7	24.6	31.9	8.7	2.2	16.2	13.0	26.5	4.8	15.0
500-599	5.5	7.6	29.9	40.7	22.8	15.9	21.7	17.6	2.4	14.5
600-699	1.4	9.5	13.6	19.8	26.1	10.3	13.0	5.9	3.2	9.3
700-799	1.0	1.9	6.1	7.4	20.7	5.0	8.7	11.8	0.8	4.9
800-899	0.3	-0-	1.4	7.4	10.9	2.3	15.2	11.8	-0-	2.9
900-999	1.4	0.5	1.4	2.5	4.3	1.6	4.3	5.9	1.6	1.9
1000 or more	1.7	3.8	3.4	8.6	12.0	4.4	6.5	14.7	1.6	4.5
Total[b]	99.9%	100.1%	99.9%	100.0%	100.1%	100.1%	99.8%	100.1%	100.0%	100.0%
Est. Median	$312	$395	$519	$589	$691	$434	$590	$600	$166	$420
Mean	$350	$470	$555	$677	$802	$501	$661	$766	$251	$486
Standard Deviation	($220)	($256)	($229)	($292)	($532)					

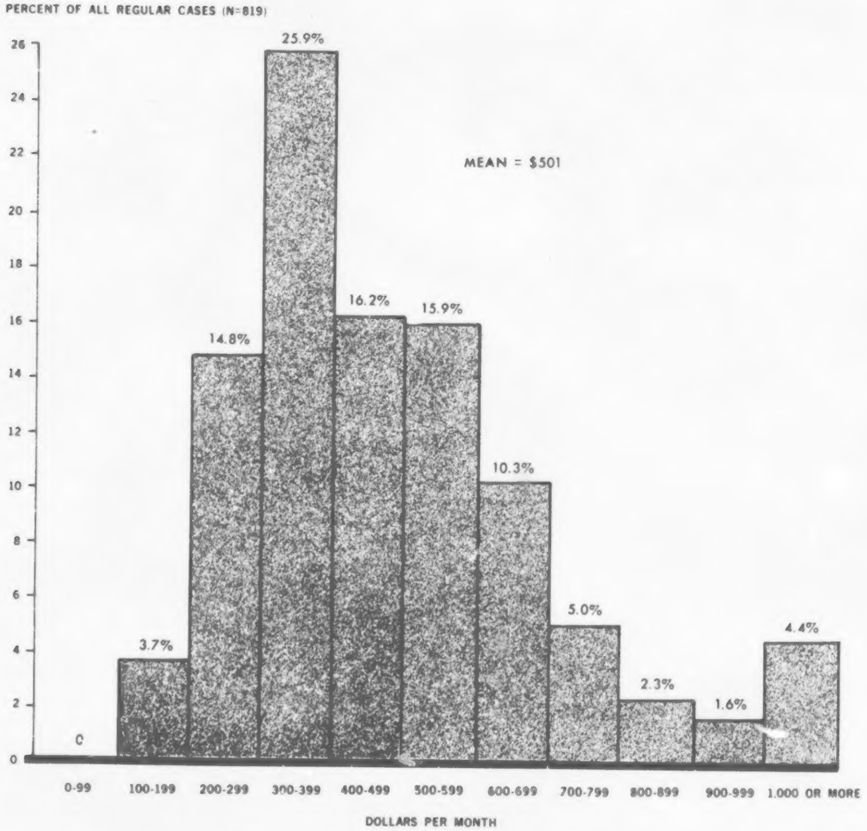
[a] Medicaid at actual value for each case

[b] May not equal 100.0 because of rounding.

The distribution for all cases is the result of some quite diverse distributions which occur within specific case types and sizes. Among the Regular AFDC cases, i.e., those "typical" one-parent cases which comprised over 80 percent of the sample, the data reveal a somewhat different distribution of income and benefit value. For these cases, typical values were somewhat higher than those for all cases. The mean value was $501, while the median value for Regular cases was $434 per month. The wide variation observed in all case types and sizes is illustrated in this instance by the fact that four percent of Regular cases had a total value of less than $200, while a similar proportion exceeded $1,000.

CHART V-1

TOTAL WELFARE BENEFITS AND NON-WELFARE INCOME, PER MONTH MICHIGAN AFDC REGULAR CASES MAY 1975.

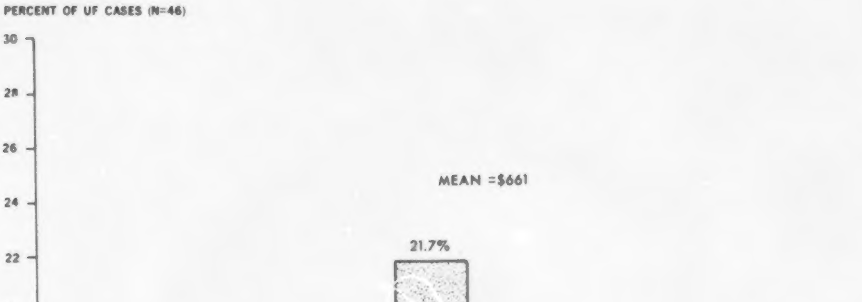


SOURCE: 1975 MICHIGAN AFDC MULTIPLE BENEFIT FILE.

Although the incidence of high value cases tended to increase with family size, total values exceeding $1,000 occurred in all family sizes. Among families of size two, two percent exceeded $1,000 per month; the proportion with total value exceeding $1,000 per month increased to 12 percent of Regular cases of six persons or more.

CHART V-2

TOTAL WELFARE BENEFITS AND NON-WELFARE INCOME, PER MONTH MICHIGAN AFDC UNEMPLOYED FATHER CASES MAY 1975.



SOURCE: 1975 MICHIGAN AFDC MULTIPLE BENEFIT FILE.

In each instance, the mean value of income and benefits exceeds the median, reflecting the fact that the distribution is skewed somewhat toward a greater concentration of cases at the lower values of the distribution.

Unemployed Father and Incapacitated Parent cases were found to be significantly larger in size than Regular cases, a fact which reflects in part the presence of two parents in these households. The average family size for Unemployed Father and Incapacitated Parent cases was five persons, compared to 3.4 for Regular cases. The larger family size is a primary factor in the larger values observed for these types of cases relative to Regular cases. Unemployed Father cases had a mean value of all income and benefit sources of $661 per month, somewhat greater than the AFDC-U median of about $590 per month and significantly greater than mean for all cases of $486. Among Incapacitated Parent cases, about half were above and half below $600 per month, just slightly greater than the median value for Unemployed Father cases. The mean value for Incapacitated cases, however, was $766, substantially greater than the $661 found for Unemployed Father cases. The greater value of the mean is accounted for by the significantly greater likelihood that Incapacitated cases have a total value at the higher extremes of the distribution. This is primarily due to Medicaid, inasmuch as 88 percent of all AFDC-I cases received an average Medicaid benefit of $272; by contrast, 67 percent of AFDC-U cases received an average Medicaid benefit of $195 during the study month.

All other cases, which comprise about 12 percent of the total, constitute those in which no adults are part of the AFDC eligible group. Stepparent and Self-supporting Relative cases are included in this group. These cases tend to receive relatively small cash grants. However, they are eligible for social services and Medicaid benefits, and it is in these areas that substantial amounts can be paid to these types of cases. This is illustrated by the fact that almost two percent of these cases have a total income and benefit package which exceeded $1,000 in value. Still, the mean value was $251 per month for all income and benefits, and the median value was $166.

The data clearly indicate that wide variation exists in the total value of income and benefits received by AFDC households. Part of this variation can be accounted for by case type, and part by family size. Even within these classifications, however, wide variations exist, reflecting the individual circumstances of each case.

Although other factors play a role (particularly the presence or absence of earned income), the single factor which accounts for most of the variation within each case type and family size is the value of the Medicaid benefit received for each case. As indicated in an earlier chapter, fully 37 percent of all cases had a zero value for Medicaid benefits rendered in the study month. This fact is clearly a function of the study procedure for placing a value on Medicaid benefits, in that the study included a value for Medicaid only for those benefits actually provided in the study month of May 1975. In other words, 63 percent of all cases in the study received benefits under the Medicaid program during the study month; 37 percent did not. While this procedure is adequate and accurate for defining the total value of Medicaid benefits received over all recipients, it does tend to widen the distribution of total benefits received since use of unadjusted data implicitly assumes that all recipients will receive Medicaid benefits in each month of the year in the amount received in the study month.

In this study, 63 percent of all recipients received a Medicaid benefit in the study month, and the average value for those 63 percent was $148 per month. Thus, the average over all recipients (including the 37 percent who received no Medicaid benefits) was $93 per month (i.e., 63 percent of $148 equals $93). Were the study period longer, it is likely that the proportion of recipients receiving Medicaid would have increased (e.g., in the Rand-New York City study, 99 percent of all recipients received Medicaid benefits over a 12 month period), while the mean value among those receiving benefits would have approached the mean value for all recipients over an annual period.

To reflect more accurately the value of Medicaid benefits in the income distribution, therefore, it may be more appropriate to assign a value for Medicaid to all cases, whether or not benefits were actually received in the study month. This procedure is similar to assigning an "insurance value" based on actual experience to the fact of Medicaid eligibility, rather than assigning a value which corresponds with benefits actually received by an individual household in a given month. Thus, under this procedure the mean value of Medicaid benefits over all cases reflects the actuarial expectation of Medicaid receipt in a given month, or what may be called the actual "mathematical expected value" of Medicaid per case per month.

In other words, this is roughly equivalent in concept to assigning to each case the value of an "insurance premium" which would be charged each AFDC case by an insurance company providing medical coverage equivalent to that in the Medicaid program. (This abstracts, of course, from any charges for administrative costs or profit for such a company.) In this instance, this procedure calls for assigning a value of Medicaid benefits of $93 to each AFDC case, regardless of whether Medicaid benefits were received in the study month (Table V-2).

The result of applying this actuarial or "insurance" concept to the distribution of income and benefit value for all cases is shown in Chart V-3. Using an insurance concept for Medicaid tends to reduce the dispersion within the distribution. For example, the proportion of total cases with a value of all income and benefits below $200 per month is reduced by more than half from over 10 percent to less than five percent, while the proportion with a total value exceeding $1,000 is reduced from about five percent to one percent. Similarly, the proportion of cases in the central income intervals increases somewhat. This is reflected by an increase in the median value for all cases for all income and benefits from about $420 per month with Medicaid at actual value for each case, to about $465 per case per month when Medicaid is considered as an insurance value. (The mean, of course, remains at $486 per month per case in each instance.)

Table V-2

Percentage Distribution of Total Income and Benefit Amounts (with Medicaid at Average Value for Each Case)

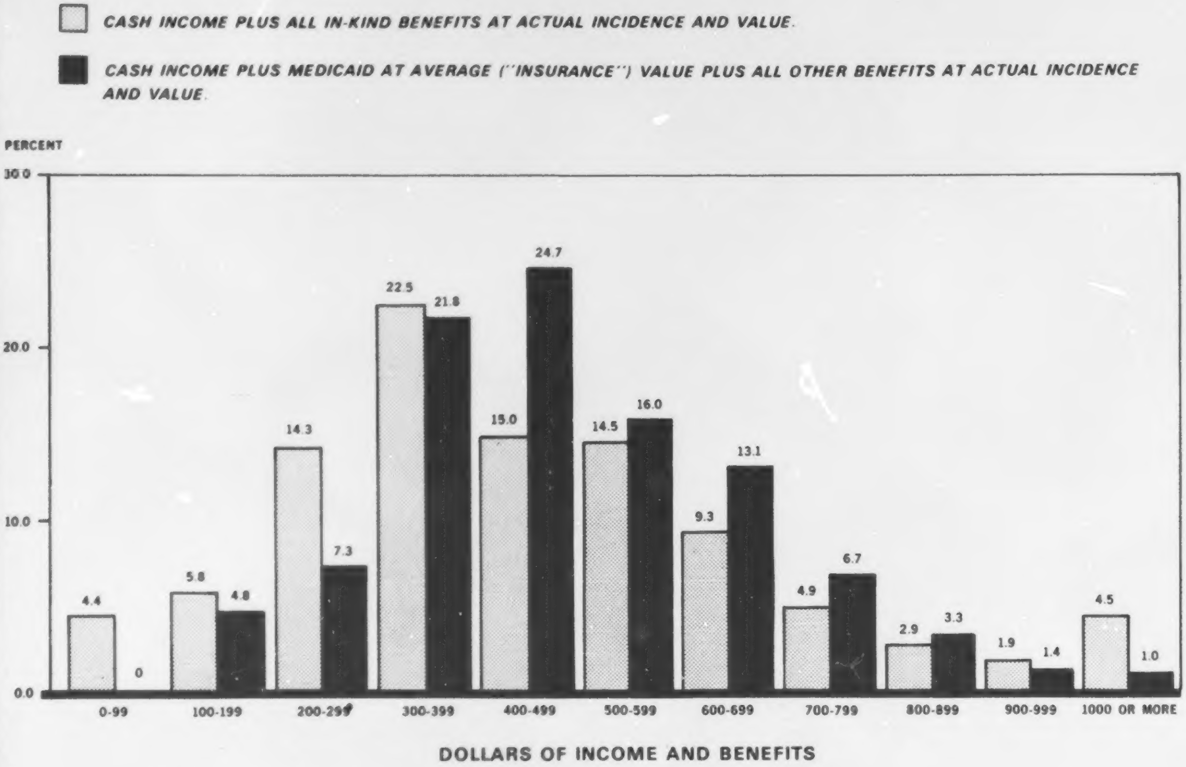
Michigan, May 1975

Total Income and Benefits All Sources (per month)	Case Size: Regular AFDC, Statewide						Unemployed Father Cases: Total (N=46)	Incapacitated Cases Total (N=34)	All Others (N=128)	All Cases (N=1027)
	2 (N=288)	3 (N=211)	4 (N=147)	5 (N=81)	6 or more (N=92)	Total R Cases (N=819)				
$ 0 - 99	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%
100-199	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	37.3	4.8
200-299	13.5	1.4	-0-	-0-	-0-	5.1	-0-	-0-	26.2	7.3
300-399	54.6	13.3	5.4	-0-	-0-	23.6	2.2	-0-	23.8	21.8
400-499	21.2	60.7	21.8	8.6	1.1	28.0	23.9	26.5	4.0	24.7
500-599	5.6	14.2	47.6	21.0	7.6	17.1	17.4	32.4	4.0	16.0
600-699	3.1	5.7	15.0	49.4	34.8	14.0	28.3	8.8	2.4	13.0
700-799	1.0	2.8	6.8	13.6	29.3	7.0	10.9	14.7	1.6	6.7
800-899	0.3	1.4	2.0	2.5	16.3	2.9	13.0	11.8	-0-	3.3
900-999	0.3	0.5	0.7	2.5	6.5	1.3	2.2	5.9	-0-	1.4
1000 or more	0.3	-0-	0.7	2.5	4.3	1.0	2.2	-0-	0.8	1.0
Total[a]	99.9%	100.0%	100.0%	100.1%	99.9%	100.1%	100.1%	100.1%	100.1%	100.0%
Est. Median	$366	$458	$547	$640	$722	$476	$622	$572	$248	$465
Mean	$384	$480	$551	$640	$740	$501	$622	$619	$251	$486
Standard Deviation	($112)	($102)	($143)	($115)	($137)					

[a] May not equal 100.0 because of rounding.

CHART V-3

DISTRIBUTION OF INCOME AND BENEFIT VALUE IN MICHIGAN, MAY 1975
(ALL CASES, N = 1027)



SOURCE: 1975 MICHIGAN AFDC MULTIPLE BENEFIT FILE.

Chapter VI

COMPARISON OF INCOME AND BENEFIT LEVELS WITH INCOME BENCHMARKS

In any income maintenance system, one of the primary objectives is to provide for the basic necessities of life. Thus it is that the AFDC program provides cash assistance to certain types of households whose income falls below a given threshold of state-defined need. At the same time, other assistance programs provide a number of "in-kind" benefits instead of cash. In recent years, particularly since the inception of food stamps in 1964 and Medicaid in 1965, in-kind benefits have assumed an increasingly large share of welfare-related benefits provided through income-tested programs.

Taken together, welfare cash income and in-kind benefits which supplement the non-welfare resources available to AFDC recipients provide a package whose value can be examined in relationship to commonly used benchmarks of income adequacy. Unfortunately, a single benchmark of income adequacy does not exist. There are, however, two generally accepted benchmarks which will be used in this study to provide an indication of the relative adequacy of the income and benefit levels of AFDC households in Michigan. Ultimately, of course, the question of the adequacy of payment and benefit levels in the welfare system is decided by societal values, translated through the political process as decisions on appropriations made by the United States Congress and individual state legislatures.

The two most common measures of income adequacy are the Poverty Line and the budgets prepared by the United States Bureau of Labor Statistics. In dealing with the population for whom welfare programs are intended, the Poverty Line is perhaps the most commonly used yardstick of income adequacy. Developed by the Social Security Administration in 1964, Poverty Lines have been used for over a decade. Originally, the Poverty Line was based on the low cost food plan developed by the Department of Agriculture, and the fact that low income families typically spent about one-third of their income on food. Since that time, adjustments have been made to account for changes in the cost of living and in the proportion of income spent on food. For 1975, the year for which this study examined the income and benefit receipt of AFDC recipients, the Poverty Line for a non-farm family of four was established at $5,500 per year. It should be noted that this is a national index which is not adjusted for regional differences in the cost of living.

The Bureau of Labor Statistics has developed three budgets which represent three hypothetical standards of living--described as lower, intermediate, and higher. For each budget level, actual expenditure patterns and prices are utilized, and variations are noted between major regions of the country.[1] In this study, the BLS Lower Budget is used as the basis for developing a benchmark against which to compare actual income and benefits received by AFDC recipients. The BLS Lower Budget indicates expenditures for a number of categories, from which it is possible to determine those expenditures which are relevant to the AFDC household situation. In this study, therefore, the "BLS Lower Consumption Budget" was used. The term "consumption budget" means that this measure includes all items provided through the income maintenance, Medicaid and services systems, including food, clothing, personal care, housing, medical care, and other family consumption items. Price adjusted to May 1975, the BLS Lower Consumption Budget for a family of four in the Detroit area totalled $7,413 per year.

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[1] The Bureau of Labor Statistics emphasizes that "the budgets do not represent how families of this type actually spend their money. Rather, they reflect the assumptions made about the manner of living at each of the three levels." However, in the absence of other, more appropriate measures, the BLS budgets have become a commonly used benchmark of income adequacy. For more details on the BLS budgets and the methodology by which they are derived, see News, Autumn 1974 Urban Family Budgets and Comparative Indexes for Selected Urban Areas, U.S. Department of Labor, Bureau of Labor Statistics, USDL: 75-190, April 9, 1975.

For both the Poverty Line and the BLS Lower Consumption Budget, equivalence scales were utilized to determine the appropriate value of the income benchmark which was unique to each individual family situation (see Appendix B). Adjustments were made for such factors as number of persons in the family, sex of the family head, age of the oldest child, and age of the household head. In the case of the BLS Lower Consumption Budget, figures used were for the Detroit urban area; for the Poverty Line, national figures were used.[2]

A third possible income benchmark would be the minimum wage. In this study, specific comparison to the minimum wage is not made. It was believed that the minimum wage provided a less appropriate comparison because it does not vary by family size, age composition of the family, or sex of the family head. Additionally, the minimum wage offers a measure of income, while the Poverty Line and the BLS budget relate to expenditure levels. In the study month of May 1975, the minimum wage was $2.00 per hour. For full-time work, this was the equivalent of $4,160 per year of gross earnings, or about $347 per month. At a minimum, social security taxes would need to be deducted from this to provide a measure equivalent to others used in this study, which would reduce the measure by nearly 6 percent to about $325 per month or $3,900 per year. In addition, private or public benefits available to persons working at the minimum wage (such as insurance or food stamps) cannot be taken into consideration when using the minimum wage alone as a benchmark.

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[2] BLS data suggest that this procedure may tend to overstate slightly the actual Poverty Line in Michigan, since costs for the BLS Lower Budget in Detroit are two percent less than the national average.

The appropriateness of measuring cash income and in-kind benefits against either the Poverty Line or the BLS Lower Consumption Budget has been the subject of much debate in recent years.[3] A number of welfare specialists argue that these income benchmarks are expressed in specific, measurable dollar amounts, while there is no real agreement on how to assign a specific cash value to an in-kind benefit. Hence, they argue that this type of comparison is inappropriate and understates the number of persons in poverty. As an extreme example, they point out that including Medicaid benefits as income would make it appear that many welfare recipients die wealthy.

On the other hand, there is substantial agreement that in-kind benefits have a value to welfare recipients and that such benefits are assuming an increasingly important role among welfare programs. Although it may be misleading to include in-kind benefits as income valued at the cost to the government of providing the service, it is even more misleading to exclude in-kind benefits altogether. Excluding all in-kind benefits makes the poverty situation appear worse than it actually is and ignores the preponderance of funds expended by the government to improve the plight of the poor.

In this chapter, income has been defined in a variety of ways. As detailed in the following section, these definitions range from total exclusion of in-kind benefits, to partial exclusion, to total inclusion. Some definitions value in-kind benefits at the full cost of providing them while other definitions discount this value. Such an approach clearly indicates that "poverty" is a relative term, greatly dependent upon the definition of income. Indeed, what one chooses to include as income can have more impact on the number of people in poverty than changes in social welfare programs.

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[3] Recent discussions of this issue can be found in Mollie Orshansky, Harold Watts, Bradley Schiller and John Korbel, "Measuring Poverty: A Debate," Public Welfare, Vol. 36, No. 2 (Spring 1978); Alvin L. Schorr, "The Myths That Help Us Ignore Poverty," The Washington Post, December 18, 1977; Michael Harrington, "Hiding the Other America," The New Republic, February 26, 1977.

Alternative Income Definitions: Comparisons with Benchmarks

The purpose of this section is to examine the value of income and benefits received by AFDC cases, using eight alternative definitions of income, and to compare that value with the benchmarks of income adequacy. Data presented in this section will allow an assessment of the sensitivity of conclusions regarding the adequacy of income and benefits received by AFDC recipients to changes in the definition of income.

The eight income definitions are as follows:

1. Cash Income Only: This definition includes the AFDC payments, plus earned income net of work expenses, plus nonearned cash income. This definition represents, therefore, disposable income available for spending at the discretion of the recipient. In-kind or restricted income of any kind is not included in this definition.
2. Cash Income plus Food Stamps: This definition includes all items of cash income, plus the bonus value of food stamps. Food stamps may be used without constraint as cash to purchase food items.
3. Cash Income plus Food Stamps plus Medicaid: This definition includes the two most prevalent in-kind, welfare-related benefits as well as all cash income. Medical Assistance and food stamps are valued at the governmental cost of providing them.
4. All Cash and In-Kind Income and Benefits: This definition includes all public and private income and benefits. In addition to cash and food stamps, this definition includes Medicaid and all other in-kind public

benefits, valued at the cost to the government of providing them, and reflected at actual patterns of receipt.

5. All Cash Income, plus Food Stamps, plus Medicaid Average: This definition is the same as (3) above, except that the value of the Medicaid benefit to each case does not equal the value of Medicaid services received by that specific case. An average Medicaid value is used for all cases, instead of using actual values only for cases with actual receipt. This definition treats Medicaid as if it were an insurance program in which the benefit of program coverage has a positive actuarial value regardless of whether benefit receipt actually takes place in a given month. Given the expectation that average Medicaid benefit values over all AFDC recipients would, over a sufficiently long period (such as a year) approach the average value among those who received Medicaid benefits, this definition may be considered most representative of actual value of Medicaid services.[4]
6. All Cash and In-Kind Income and Benefits, with Medicaid Average: This definition includes all items listed in (4) above, except that the Medicaid benefit is valued at an average over all cases.
7. All Income and Benefits, with Medicaid Average, with In-Kind Benefits Discounted to 85 Percent of Indicated Actual Value: This definition includes all items in (6) above, except that all in-kind benefits are discounted to 85 percent of actual value. This definition recognizes that in-kind

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[4] In the NYC Rand Study, Medicaid participation was 99 percent over calendar year 1974, so that the population mean value of Medicaid benefits closely approached the recipient mean.

income is different from cash in that its use is restricted. It is not easy to use the in-kind benefit to purchase items which might be of greater value to that recipient. The discount used here is intended to reflect this situation, although evidence does not exist to document that this is the proper discount rate. Current literature suggests that this may be considered an intermediate discount rate.[5]

8. All Income and Benefits, with Medicaid Average, with In-Kind Benefits Discounted to 70 Percent of Indicated Actual Value: This definition is the same as (6) above, except that in-kind benefits are discounted to 70 percent of actual value. Current literature suggests that this represents a relatively low value for in-kind benefits.

In items 7 and 8 above, it is noted that in-kind benefits (such as Medicaid, food stamps, day care and other social services) are counted at a value to the recipient somewhat less than the cost to the government of providing them. These alternative measures of in-kind benefit values are offered in recognition of the fact that in certain instances recipients may place a lower value on in-kind benefits received than the actual cost of their provision. Conceptually, this is due to the fact that these benefits are not provided in the form of cash, and if they were, recipients might choose to allocate their income in a slightly different way. In other words, given the opportunity, recipients might wish to trade the in-kind benefits they receive for other goods or services which might be preferable to them at that time.

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[5] NYC Rand Study used 100 percent as a "high" value of in-kind benefits, 85 percent as an "intermediate" value, and 70 percent as a "low" value. See also U.S. Department of Health, Education, and Welfare, In-Kind Income and the Measurement of Poverty, The Measure of Poverty, Technical Paper 7, by Janice Peskin, HEW (Washington, D.C., 1976).

However, while there is agreement that a discount factor may be appropriate, there is no agreement on the proper discount factor. Therefore, results are presented with alternative discount rates, and the reader has the opportunity to assess the impact of utilizing alternative discount factors.

Study Results

Study results indicate that the degree of adequacy of the income and benefits available to AFDC recipients is quite sensitive to the definition of income chosen for the comparison to the income benchmarks.

Amont Regular AFDC cases in Michigan, only 14 percent were at or above the Poverty Line when cash income only is considered. The proportion above the Poverty Line increases to 35 percent when the bonus value of food stamps is added to cash income. This proportion increases to 60 percent when Medicaid is added at actual receipt patterns for the study month. When the value of all in-kind benefits is added at actual patterns of incidence, the proportion above the Poverty Line increases to 65 percent. With Medicaid included for all cases at the population mean (or "insurance" value), the proportion increases further to 87 percent. With cash, food stamps, and a Medicaid average, the proportion is 85 percent. Discounting all in-kind benefits, including the Medicaid average, to 85 and 70 percent reduces the proportion above the Poverty Line to 82 and 75 percent, respectively.

The above pattern is repeated for other case types, geographic subgroups, and for the Bureau of Labor Statistics Lower Consumption Budget as well as the Poverty Line. Specifically, in the Michigan AFDC program, cash income alone available to AFDC recipients raises only a relatively small proportion of AFDC cases above the Poverty Line (or the BLS Lower Consumption Budget). The in-kind benefits, particularly food stamps and Medicaid, play a most significant role in raising AFDC households above the income benchmarks. This is particularly the case when a Medicaid insurance value is applied to all cases.

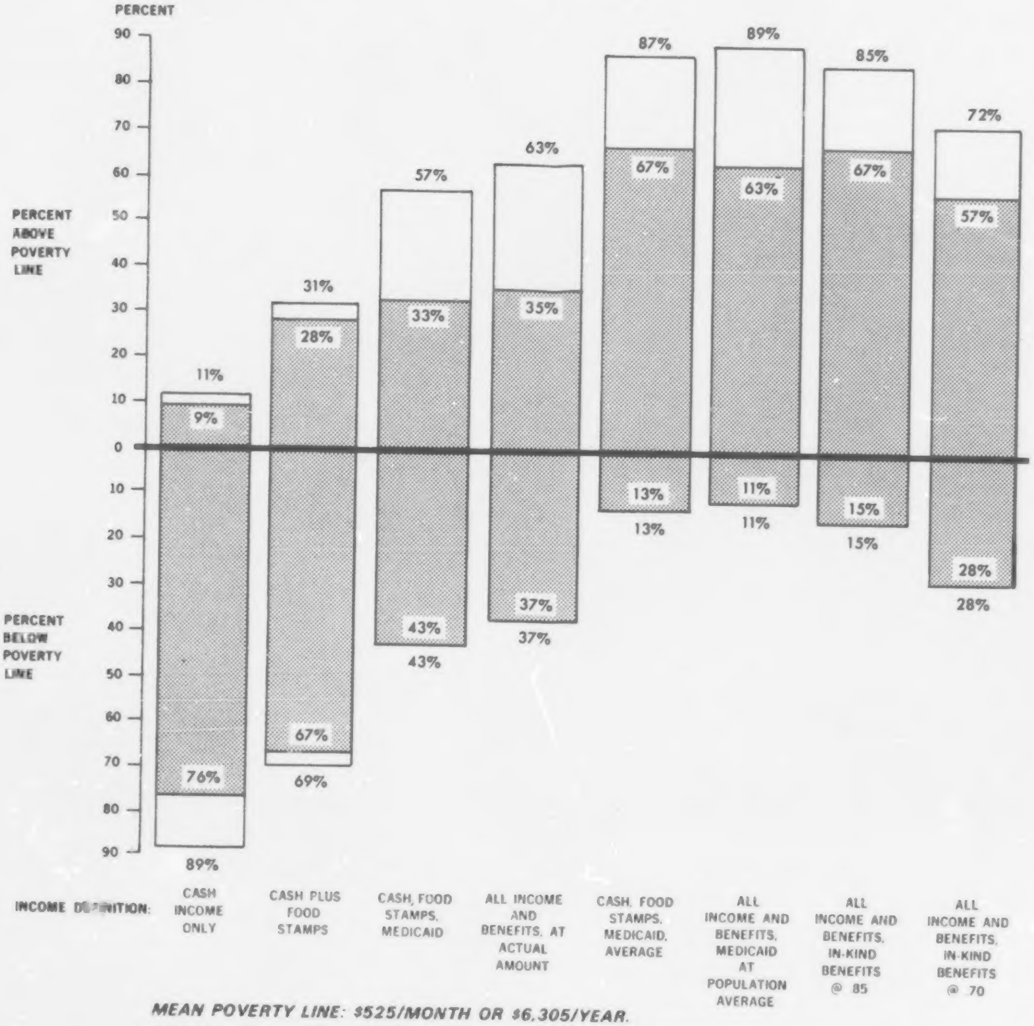
As suggested, the pattern described above is repeated for other case types. For Unemployed Father cases, only 11 percent were at or above the Poverty Line based on cash income only. However, 89 percent were above the Poverty Line when income and benefits from all sources, including an average Medicaid value, were considered.

Compared to the BLS Lower Consumption Budget, 19 percent of Regular cases exceeded the benchmark based on cash only, but 60 percent did so when all sources (including average Medicaid) were included. For Unemployed Father cases, only two percent exceeded the BLS Budget with cash only, while 48 percent did so when all income and benefit sources were included (with Medicaid average).

The above results are summarized in Charts VI-1 through VI-4, for Regular and Unemployed Father cases compared to the Poverty Line and the BLS Lower Consumption Budget. Table VI-1 summarizes the proportion of cases in various sample subgroups falling above the income benchmarks for the eight income definitions. The tables in Appendix C display the proportion of cases falling within designated ratios of the benchmarks, by the eight income definitions. The consequences of substituting actual value and incidence of Medicaid costs for an average value of Medicaid when in-kind benefits are discounted are discussed in Appendix D.

CHART VI-1

DISTRIBUTION OF UNEMPLOYED FATHER AFDC CASES RELATIVE TO POVERTY LINE, BY INCOME DEFINITION MICHIGAN, MAY 1975 (N=46)



MEAN POVERTY LINE: $525/MONTH OR $6,305/YEAR.

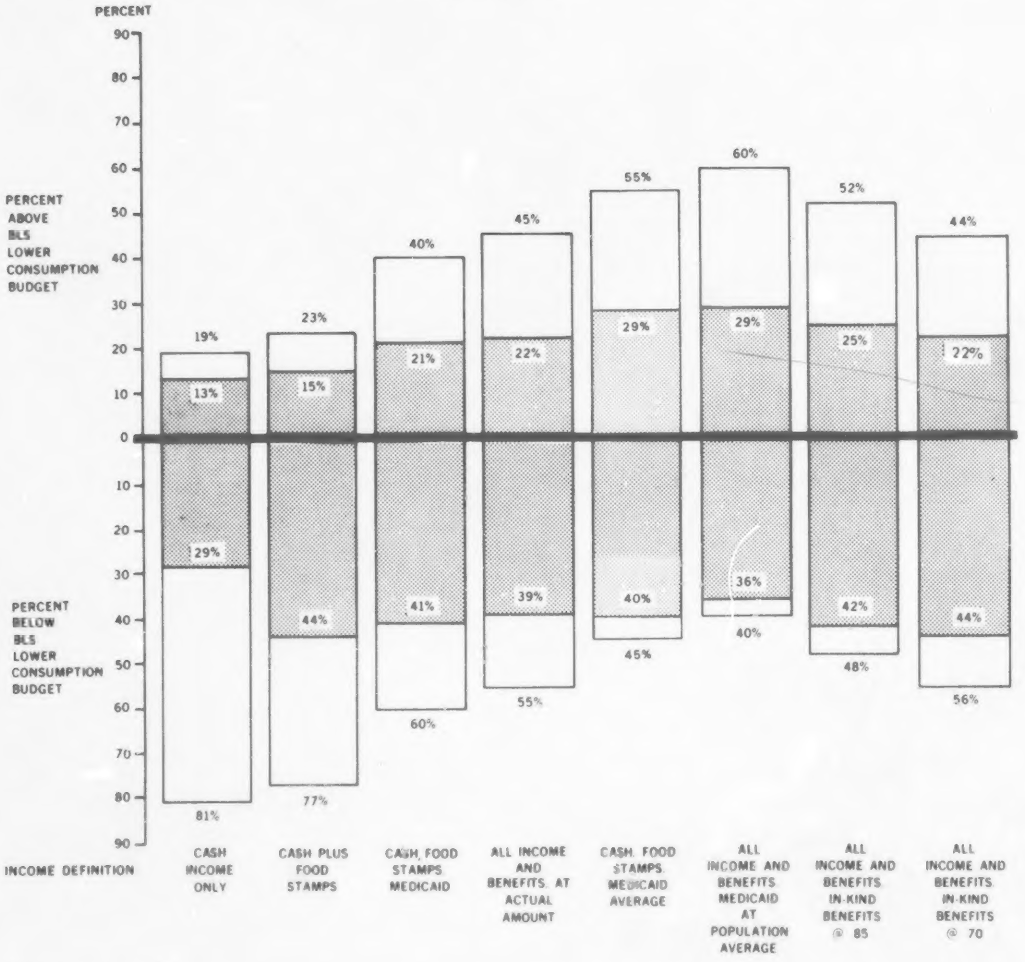
SHADED AREA INDICATES CASES WITHIN 25 PERCENT OF POVERTY LINE.

SOURCE: 1975 MICHIGAN AFDC MULTIPLE BENEFIT FILE.

CHART VI-4

DISTRIBUTION OF REGULAR AFDC CASES RELATIVE TO BLS LOWER CONSUMPTION BUDGET, BY INCOME DEFINITION MICHIGAN, MAY 1975.

(N=819)



MEAN BLS LOWER CONSUMPTION BUDGET: \$466/MONTH, OR \$5,593/YEAR

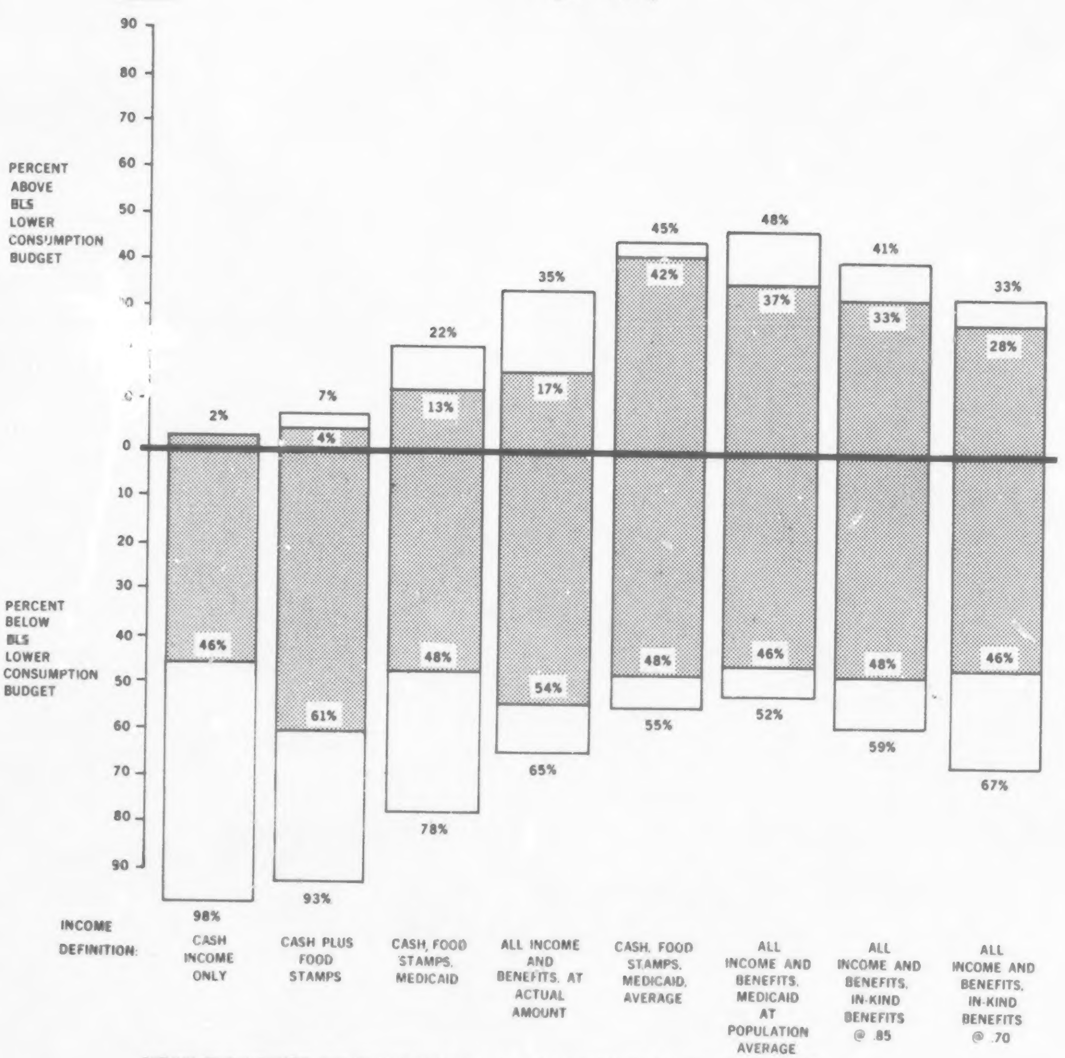
SHADED AREA INDICATES CASES WITHIN 25 PERCENT OF THE BLS LOWER CONSUMPTION BUDGET

SOURCE: 1975 MICHIGAN AFDC MULTIPLE BENEFIT FILE

CHART VI-3

DISTRIBUTION OF UNEMPLOYED FATHER AFDC CASES RELATIVE TO BLS LOWER CONSUMPTION BUDGET, BY INCOME DEFINITION, MICHIGAN, MAY 1975

(N=46)



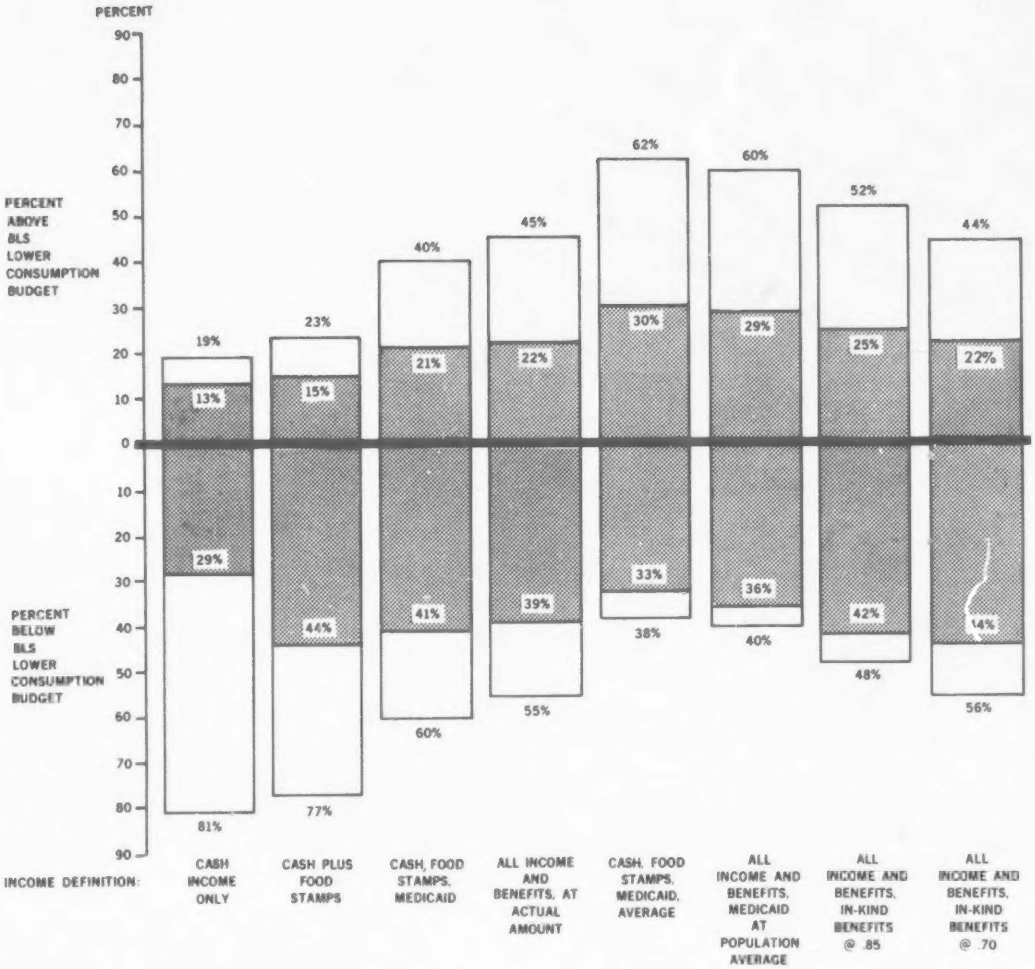
MEAN BLS LOWER CONSUMPTION BUDGET: $626/MONTH, OR $7,518/YEAR.

SHADED AREA INDICATES CASES WITHIN 25 PERCENT OF BLS LOWER CONSUMPTION BUDGET.

SOURCE: 1975 MICHIGAN AFDC MULTIPLE BENEFIT FILE.

CHART VI-4

DISTRIBUTION OF REGULAR AFDC CASES RELATIVE TO BLS LOWER CONSUMPTION BUDGET, BY INCOME DEFINITION MICHIGAN, MAY 1975.
(N-819)



MEAN BLS LOWER CONSUMPTION BUDGET: $466/MONTH, OR $5,593/YEAR.

SHADED AREA INDICATES CASES WITHIN 25 PERCENT OF THE BLS LOWER CONSUMPTION BUDGET.

SOURCE: 1975 MICHIGAN AFDC MULTIPLE BENEFIT FILE.

Table VI-1

Percentage of Michigan AFDC Cases Above Income Benchmarks By Income Definition, Case Type, and Location May 1975

Income Benchmark by Location by Case Type Category	Income Definition (1) Cash Income Only	(2) Cash plus Food Stamps Only	(3) Cash plus Food Stamp plus Medicaid Only	(4) All Income and Benefits at Actual Amount	(5) Cash plus Food Stamp plus Medicaid Average	(6) All Income and Benefits with Medicaid Average	(7) All Income and Benefits with All In-Kind Benefits Discounted to .85	(8) All Income and Benefits with All In-Kind Benefits Discounted to .70
Poverty Line:								
Michigan:								
R-Cases	14.1%	35.2%	59.9%	64.8%	85.1%	86.6%	81.6%	74.8%
UF Cases	10.9	30.5	56.5	63.1	87.0	89.1	84.8	71.7
R,UF & I Cases	14.0	34.8	60.2	64.9	84.7	86.1	81.3	74.0
Outstate:								
R-Cases	18.2	41.1	65.5	71.1	87.0	88.9	85.2	80.3
UF Cases	12.9	38.7	61.3	71.0	90.3	93.6	93.6	83.9
R,UF & I Cases	17.9	40.6	65.4	71.0	86.2	88.0	84.7	79.1
Wayne County:								
R-Cases	9.7	28.1	53.3	57.1	82.8	84.0	77.5	68.1
UF Cases	6.4	13.3	46.7	46.7	80.0	80.1	66.7	46.7
R,UF & I Cases	9.1	27.5	53.5	57.3	82.6	83.6	77.0	67.4
BLS Lower Consumption Budget								
Michigan:								
R-Cases	18.6	23.4	39.7	44.9	55.0	60.1	52.0	44.2
UF Cases	2.2	6.5	30.4	34.8	45.7	47.8	41.3	32.7
R,UF & I Cases	17.9	22.0	39.4	44.5	53.5	58.5	50.8	42.8
Outstate:								
R-Cases	24.8	30.7	47.2	53.8	61.9	68.6	61.2	53.3
UF Cases	3.2	6.4	22.2	35.5	45.1	48.5	42.0	32.2
R,UF & I Cases	22.7	28.5	46.5	52.9	58.8	65.4	58.4	50.7
Wayne County:								
R-Cases	11.3	14.4	30.8	34.1	46.9	49.9	41.1	33.2
UF Cases	-0-	6.7	26.7	33.4	46.7	46.7	40.0	33.3
R,UF & I Cases	10.6	13.9	30.6	33.8	46.8	49.7	41.2	32.8

Chapter VII

COMPARISON OF STUDY RESULTS WITH OTHER STUDIES

The results recorded in this study are specific to AFDC recipients in Michigan in May of 1975. The only other studies to have examined actual income and benefit receipt patterns among AFDC recipients were those done by the Rand Corporation for New York City covering calendar year 1974, and the earlier study by the Michigan Department of Social Services for which the study month was January 1974. No other studies have examined actual income and benefit receipt among AFDC recipients. However, a number of studies have focused on the potential value of assumed combinations of income and benefit. Comparisons will be made to two of these studies: one done by the California Department of Benefit Payments for calendar year 1974, and a similar study done by the Joint Economic Committee indicating potential benefit levels in New York City.

To provide a basis for comparison, mean values of five income and benefit categories were calculated from the results of this study, and are shown in Table VII-1. In the first two columns of that table, the results are indicated in monthly terms for the "average" Regular AFDC case of 3.4 persons. Results are shown for a Regular case, i.e., the typical female-headed, single-parent family, because the results of other studies have focused on this most typical type of AFDC case.

As indicated in this study, the mean value of actual benefit and income sources was $501 per month for the average Regular case of 3.4 persons. The distribution of that $501 among the AFDC payment itself, food stamps, Medicaid services paid on behalf of the family, in-kind social service benefits, and non-welfare cash income is shown in the first column. For purposes of comparison, the actual values of income and benefit combinations received by four-person Regular AFDC cases are shown in the second column. Other studies have presented their results in terms of the four-person Regular case for a twelve month period. For this reason, the monthly amounts shown in the first two columns have been annualized (that is, simply multiplied by 12) to provide a basis for comparison with other studies.

Table VII-1

Total Income and Benefit Amount, by Source of Income,
by Average Case and 4-Person Case
Regular Cases
Michigan, May 1975

Source of Income	Monthly Benefits		Annualized Benefits	
	"Average" Case of 3.4 Persons	4-Person Case	"Averaged" Case of 3.4 Persons	4-Person Case
AFDC Grant	$290	$320	$3,480	$3,840
Food Stamps	34	43	411	516
Medicaid	90	97	1,078	1,164
Social Services	23	22	276[a]	264[a]
Non-Welfare	64	82	768	972
Total	$501	$563	$6,012	$6,756

[a] Based on study data, four person cases received slightly less for Social Services ($264) than the average over all cases ($276).

Source: 1975 Michigan AFDC Multiple Benefit File.

A comparison of the annualized benefit and income amounts for the five categories of income and benefit sources is shown in Table VII-2. It can be seen that, in general, the results of these five studies are consistent with each other. The Rand study in New York indicated a 1974 total value of almost $7,300 for 1974. The amount indicated in this study is almost $6,800. The difference between the two amounts is primarily accounted for by differences in the procedure used to

Table VII-2

Comparison of Total Welfare and Non-Welfare Income, by Source, for Average Four-Person AFDC Case in Michigan and New York City Regular Cases

Source of Income	Actual Benefits in Dollars			Potential Benefits in Dollars	
	New York City Rand Corp. Dec., 1974	Michigan DSS Jan., 1974[a]	Michigan DSS May, 1975[a]	California DBP 1974	New York City JEC (with Day Care)
AFDC Grant	$3,945	$3,813	$3,840	$5,214	$4,143
Food Stamps	646	278	516		
Medicaid	1,880	947	1,164	1,065	950
Social Services	184	146	264	667	2,500
Non-Welfare	612	795	972	--	846
Total	$7,267	$5,979	$6,756	$6,946	$8,439

[a] Differences in benefit amounts between 1974 and 1975 reflect different participation rates as well as changes in benefit levels. Hence, Food Stamps comprise a larger share of total income in 1975 because more AFDC cases participated in the Food Stamp program and because Food Stamp benefit levels increased.

SOURCES: 1975 Michigan AFDC Multiple Benefit File; NYC-Rand, Multiple Welfare Benefits in New York City, Table 5.1; Michigan-DSS, The Economic Status of Michigan AFDC Families: An Analysis of Income and Benefit Receipt, by V.K. Smith and G.A. Howitt, Department of Social Services, State of Michigan, 1976, Table 3; California-DBP, Total Value of Public Assistance Benefits in California, State of California, Department of Benefit Payments, Table 17; NYC-JEC, "Income-tested Social Benefits in New York City: Adequacy, Incentives, and Equity," Studies in Public Welfare, Paper No. 8, Joint Economic Committee, U.S. Congress, Cahpter X, Table 1.

NOTE: The NYC-Rand and Michigan-DSS are annualized monthly benefits, the former for December 1974, the latter for January 1974 and May 1975. The California-DBP income is a combination of average benefits received during 1974 and annualized monthly benefits. The NYC-JEC benefits are hypothetical annual benefits for a case with $1,000 in before tax-income.

include food stamp and Medicaid benefit values. Specifically, the New York City study found almost 100 percent participation in each of these two programs, while in this study participation in these programs was approximately 60 percent. Other factors equal, if participation in Michigan were similar to that observed in New York City, the annual value for these two benefits combined would have been about $900 larger. Compared with the New York study, the slightly lower level of the Michigan AFDC grant reflects differences in grant standards and non-welfare income; the higher level for non-welfare income in Michigan reflects greater incidence of employment; and the slightly higher level indicated for social services in Michigan indicates a more comprehensive definition of this benefit and a better capability for identifying cases which actually received the benefits, relative to the New York City study.

The California study was intended only to indicate potential benefit receipt among recipients with no non-welfare cash income. As a result, the amount indicated for the AFDC grant and food stamps combined is about $900 greater than found in this study--an amount comparable to the level of non-welfare cash income (which serves to reduce the AFDC grant) actually observed in Michigan. With respect to the New York City-JEC study, the results again are comparable if an amount for day care benefits is built in at an actual rate of incidence. The similarities between this study and the earlier Michigan study are further demonstrated in Table VII-3.

In summary, then, the results of this study provide support for the findings of earlier studies, and in the context of earlier studies, the results of this study seem most reasonable and realistic. The total income and benefit package of a Michigan family of four receiving AFDC benefits in 1975 was on the order of $6,800, when non-welfare and welfare cash income is counted at the level of actual receipt, and governmental in-kind benefits such as Medicaid, food stamps and social services are counted at the actual cost to the government of providing these services to AFDC recipients. This conclusion, of course, is based on the average results for a "typical" Regular AFDC case with four persons.

Table VII-3

Income and Benefit Sources of Michigan AFDC Cases[a] January 1974 and May 1975

Income or Benefit Source	Percent Receiving Each Source January 1974 (N=204)	Percent Receiving Each Source May 1975 (N=1027)	Average Monthly Value of Each Source, for Cases Receiving from that Source January 1974	Average Monthly Value of Each Source, for Cases Receiving from that Source May 1975
Welfare-Related Benefits:				
AFDC	100.0%	100.0%	$271	$279
Medicaid	62.9	63.1	116	148
Food Stamps	43.8	58.8	47	54
Housing	4.2	6.7	72	106
Day Care	3.9	9.7	62	119
Emergency Assistance	1.8	0.8	104	152
Manpower Training	4.0	1.4	78	103
Other Non-Cash[b]	2.4	0.7	101	110
Non-Welfare Income:				
Non-Earned[c]	9.5	18.5	133	139
Earned	21.4	13.1	208	263

[a] The 1974 study used weighted data.

[b] Non-cash public benefits include services such as homemaker services, chore services, etc. to which a value could be given.

[c] Non-welfare, non-earned income includes: social security, veterans' benefits, and other unearned cash income.

Source: 1975 Michigan AFDC Multiple Benefit File.

Chapter VIII

CONCLUSIONS AND IMPLICATIONS FOR THE FUTURE

This chapter discusses some of the major conclusions from this study of multiple benefit receipt by Michigan AFDC cases. Further, it addresses the implications of these findings for substantive reform and provides some direction for future research.

Definition of Poverty

Defining the number of poverty households in the United States depends on two key factors:

1) The definition of poverty (the Poverty Line, the BLS Lower Consumption Budget, or some other quantifiable standard); and
2) The definition of income (the income and/or benefits which should be counted as income and compared to the definition of poverty).

Unfortunately, no unanimous agreement exists for either definition. The Poverty Line is probably the most commonly used benchmark of income adequacy, and it is perhaps the best understood. However, no consensus is evident regarding the definition of income.

The Congressional Budget Office, for example, has recently pointed out that the poverty population in the United States could vary from 6.9 percent to 25.5 percent of all families, depending upon the definition of income.[1] Similarly, tables in Chapter VI indicate that the proportion of the Michigan AFDC population falling below the Poverty

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[1] Poverty Status of Families under Alternative Definitions of Income, Congressional Budget Office, Background Paper No. 17, January, 13, 1977.

Line varies from 86 percent to 13 percent, again depending upon how income is defined.[2]

In this study, a total of eight different definitions of income were used. Conclusions regarding income adequacy vary greatly from definition to definition. Nor do these eight exhaust the number of possible definitions of income.

Consequently, any analysis of the pervasiveness of poverty in America depends at least as much on the definitions used as on the quality of the data. The data contained in this study could be used--indeed, probably will be used--to support a variety of seemingly contradictory conclusions. This will be true because different definitions of poverty and income will be used. The specific definition chosen, of course, will be a function of the person or group making the assertion and the point which they are attempting to prove. For this reason, the results of this study, and those similar to it, must be interpreted and analyzed with great care.

In-Kind Benefits

It is evident from this study that the treatment of in-kind income is of substantial importance to the issues of multiple benefit receipt and the adequacy of existing welfare programs. Of critical concern is the manner in which in-kind benefits are included in the definition of total income. Conceptually, such benefits could be valued at the full cost to the government of providing them or at the value which recipients themselves put upon them.

The first approach is easily quantifiable, but probably incorrect. It is simply not very likely that recipients would spend the same amount on health care, if Medicaid benefits were cashed out, as they currently receive through the Medicaid program. On the other hand, the second approach is probably correct, but impossible to quantify. Some discount rate undoubtedly must be applied to the government cost, but this rate would vary substantially by individual preference and type of benefit. Consequently, the discount rates used in this study are highly arbitrary.

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[2] See pages 72-76.

The AFDC grant itself accounted for only 57.2 percent of the $486 in total monthly income received by the average Michigan AFDC case in May 1975. Nearly one-third of the total ($147) came from in-kind benefits. The remaining 12.6 percent came from non-welfare sources. Obviously, in-kind benefits are extremely important in defining the economic well-being of the average AFDC case. Without such benefits, the income of the average case would drop from $486 per month to $339, bringing it well below the Poverty Level of $458 per month in May 1975.

However, unlike the AFDC grant, in-kind benefits are not universally received by AFDC cases. In fact, the most common in-kind benefits--Medicaid and food stamps--were received by only 60 percent of the sample cases in the study month. This pattern of receipt helps to explain the fact that approximately 35 percent of Michigan's AFDC caseload had incomes below the Poverty Line in May 1975.[3]

Therefore, it is apparent that welfare programs in Michigan succeeded in doing much of what they are intended to do. Cash assistance and in-kind benefits, in combination with private sources of income, have raised most AFDC cases above the official Poverty Line. Not all cases, however, have taken full advantage of the in-kind programs.

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[3] Income was defined here to equal cash benefits or income and the actual value of in-kind benefits received. Including Medicaid benefits at insurance value (population mean) controls for the pattern of Medicaid receipt and, as a result, reduces the proportion of cases below the Poverty Line to 14 percent (see Chapter VI).

The most important of the in-kind benefits is Medicaid, which accounted for 19.1 percent of the total income for the average AFDC case in May 1975. The next largest of in-kind benefit--food stamps--accounted for 6.6 percent of total income. Day care benefits accounted for 2.5 percent of the total, while housing benefits comprised only 1.5 percent. Clearly, no in-kind benefit is as important to AFDC families as Medicaid.

Data Collection

One reason for the absence of studies regarding multiple benefit receipt has been the difficulty of obtaining data. In the absence of a computerized data base, similar to that used by the Rand Corporation in their New York City study, the only alternative is the exhaustive case record approach used here. Both computer files and manual searches are costly and neither can be used routinely by most states.

A major goal of this study was to test the possibility of piggybacking the collection of multiple benefit data onto the biennial AFDC Survey mandated the Department of Health, Education, and Welfare. It was hoped that data gathered for this survey from individual case records could be supplemented by information from other departmental sources, thereby obtaining accurate data in a cost-effective manner.

Unfortunately, this did not prove possible. In Michigan at least, caseworkers were not able to record data in an accurate manner. Extensive editing and correcting by Central Office staff was required. It is estimated that 85 percent of the survey schedules returned by the local offices contained at least one error. Many contained substantially more errors than that. It took project staff a full year to obtain an accurate data base. These problems indicate that while it is technically possible to replicate this study in Michigan or elsewhere using data from case records, resources are not likely to be available for this purpose.

Welfare Reform

Most welfare reform proposals, including those recently put forward bv President Carter, involve simple, "flat grant" benefit schedules and the cashing out of certain in-kind benefits, e.g., food stamps. While such proposals are considerably easier to administer than the current budgeting methods, and also ensure that certain in-kind benefits are more uniformly available to the welfare population, the results of this study indicate that the impact upon existing AFDC cases may be dramatic.

This is primarily the result of the wide variation in total income received by Michigan AFDC cases. While the average AFDC case received $486 in May 1975, 4.5 percent of all cases received less than $100 per month and another 4.6 percent received in excess of $1,000.

When Medicaid benefits are averaged over all sample cases and included in cash income as an "insurance value," the result is a reduction in both the dispersion and the distribution. However, 4.8 percent of all cases still received income and benefits valued at less than $200 per month, while the proportion with a value greater than $900 is 2.4 percent.

The implications of these findings are of substantial importance to welfare reform. Any flat grant design will of necessity hurt those whose benefit package is currently valued above the flat grant amount. Similarly, it will also provide windfall incomes to those currently receiving less. A flat grant set equal to higher benefits will minimize the negative impact upon current recipients, but will severely increase total program costs. On the other hand, a flat grant set at the lower levels will control program costs while seriously disadvantaging large numbers of recipients.

President Carter's proposed reform, for example, impacts in both ways in different states. For the twelve states with benefit levels lower than the national minimum benefit level, recipients will receive a substantial increase in income. However, high benefit states like Michigan will have to engage in substantial supplementation of the minimum benefit level in order to maintain the value of the current grant and to prevent a reduction in income for most current AFDC recipients.

Directions for Future Research

A number of key questions associated with multiple benefit receipt and with measuring poverty were raised but not directly addressed by this study. Research in these areas would help to enhance the findings presented in this report.

Of primary concern is the development of a meaningful benchmark against which to measure income adequacy. Both the Poverty Line and the BLS Lower Consumption Budget have been used in this analysis, but neither is entirely adequate. Although the Federal Government has made a substantial attempt to compile various means of measuring poverty, no concerted effort has yet been made to develop a meaningful, objective poverty standard which can be easily updated and take into consideration differences in living costs which may result from geography or living arrangement.[4] Similarly, definitional problems with regard to income also need to be resolved.

A second major problem area concerns the dearth of information available about the working poor. Naturally, any relative assessment of the economic status of the welfare population should include some comparison with the poor who are not on public assistance--the working poor. However, the nature of this group is such that it cannot be easily studied. Simple comparisons to the minimum wage or prevailing wage will not suffice, both because this represents only a hypothetical statement of potential benefits and because many in-kind benefits

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[4] For a compilation of alternative measures of poverty, see The Measure of Poverty: A Report to Congress as Mandated by the Education Amendments of 1974, U.S. Department of Health, Education and Welfare, April 1976.

(including both Medicaid and food stamps) are also available to the working poor. Consequently, the wages of the working poor must be inflated by an as yet unknown amount in order to accurately reflect their total income. Since nearly one-third of the total income of Michigan AFDC cases comes directly from in-kind benefits, it is likely that such benefits may also have a major impact upon the working poor.

Another issue inherent in the concept of multiple benefit receipt is a benefit-loss rate. Because some welfare programs involve separate administrative structures and eligibility standards while others grant categorical eligibility, it is possible to reach a point where a marginal dollar of income will involve a benefit-loss rate greater than 100 percent. Without more careful integration of existing programs, eligibility standards, and benefit levels, it is possible that programs may work at cross purposes with each other and actually harm those they seek to help.

Finally, the related issue of work incentives has not been addressed in this study. Most of the research on this subject has been limited to the relationship between earnings and the AFDC grant. Clearly, this study indicates that the relationship is broader than that and that future studies must examine the impact of earnings on total benefit packages, taking into account in-kind benefit programs as well as cash assistance.

Appendix A: DATA SOURCES

FORM SRS-NCSS-126E
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
SOCIAL AND REHABILITATION SERVICE
NATIONAL CENTER FOR SOCIAL STATISTICS

OMB No. 83-S74007
Approval expires October 1975

1975 AFDC STUDY
Case Record Schedule for Eligibility Worker

	CODE	FIELD
State Code:		1-2
Study code:		3-6
card number	001	7-9
Name of payee: *(Last)* *(First)* *(MI)*		10-37
County: ______ County code:		38-40
Name of eligibility worker filling in schedule: ______ Case number:		41-52
Sample stratum: *(Check one)* ☐ 1973 sample 1 case in May 1975 ☐ May 1975 2 AFDC-QC case ☐ Other May 3 1975 case		53

READ BEFORE YOU START:

Purpose of the study

The information that caseworkers provide will be totaled and used by the State and Federal governments in evaluating the AFDC program and in planning for improvements by legislative and policy changes. The information will not be used to evaluate any single AFDC case. All information relating to individual cases will be held confidential.

Instructions

Answer the items from current information in the case record, your own personal knowledge of the case, or the personal knowledge of another agency worker. If necessary, contact the payee to obtain the answers or to update information which may not be current. We suggest that payees contacted by phone or in person be told that the information is required for a special study and that their payments will not be affected. Do not answer "unknown" to any item unless there is no possibility of obtaining the information. Each item must be answered, unless the instructions indicate otherwise.

1. Use a soft lead pencil. You may need to erase.
2. The instruction following each item on the schedule tells you how to answer. Most items require circling code numbers or entering numbers. Information in the Instructions for Eligibility Worker will give you additional help in answering.
3. Some items require additional coding by the State office, identified by (*State office enter . . .*).
4. If both month and year are required and you know only the year, enter the year and "unknown" for the month.
5. For numbers, the coding column is marked to show how many digits are required. For example, ☐ means a 1-digit number, [|] a 2-digit number, and [| |] a 3-digit number. Use "lead" zeros if necessary, e.g., a "2" answer would be entered [2] , [0|2] , or [0|0|2] as required.
6. For all money amounts, enter dollars only. Round cents to the nearest dollar, e.g., $112.49 should be entered $112, and $112.50 should be entered $113.

FIELD	CODE	
1-6	Repeat 001	E-1 WHEN WAS THE MOST RECENT OPENING OF THIS AFDC CASE? *(Enter month and year for which first money payment was made under the opening. Ignore payment lapse of 3 months or less.)*
7-9	002	Month ________________ Year 19____
10-12		← *(State office enter number of months from that month through the study month, inclusive)*
13-14		E-2 WHAT WAS THE REASON FOR THE MOST RECENT OPENING OF THIS AFDC CASE? *(Enter one code from list in Instructions for Eligibility Worker)*
		E-3 WHEN WAS THE MOST RECENT REDETERMINATION OF ELIGIBILITY FOR THIS AFDC CASE? *(Enter month and year, or check applicable box)* Month ________________ Year 19____ ☐ No redetermination because most recent opening in E-1 is less than 6 months from study month (997) ☐ No redetermination for other reason (998)
15-17		← *(State office enter number of months from that month through the study month, inclusive, or code checked)*
		E-4 DID PAYEE EVER RECEIVE AFDC IN THIS STATE BEFORE THE MOST RECENT OPENING IN E-1? *(Circle one code number)*
18	0	.....Yes
	1	.....No } → IF CODE 1 OR 9 CIRCLED, SKIP TO E-7
	9	.....Unknown }
		E-5 WHAT IS THE DATE OF EACH OPENING AND DISCONTINUANCE BEFORE THE MOST RECENT OPENING IN E-1? *(Enter 2 digits for month and last 2 digits of year, e.g., December 1971 = "1271". Start with the earliest previous opening. Payment lapses of 3 months or less are not to be counted as discontinuances. If month or year unknown, enter 99.)*
	Mo. | Yr.	FIRST
19-22		.......Opening
23-26		.......Discontinuance
		SECOND
27-30		.......Opening
31-34		.......Discontinuance
		THIRD
35-38		.......Opening
39-42		.......Discontinuance
		FOURTH
43-46		.......Opening
47-50		.......Discontinuance
		FIFTH
51-54		.......Opening
55-58		.......Discontinuance
59-60		E-6 WHAT WAS THE REASON FOR THE LAST DISCONTINUANCE OF AFDC MONEY PAYMENTS? *(Enter one code from list in Instructions for Eligibility Worker)*
1-6	Repeat 001	E-7 HOW MANY PERSONS ARE IN THE AFDC ASSISTANCE GROUP AND IN THE HOUSEHOLD? *(Enter numbers for (A) through (C). If none, enter 0 or 00.)*
7-9	003	(A) AFDC ASSISTANCE GROUP *(Persons whose needs and resources are included in AFDC budget):*
10		.........(a) Adults receiving AFDC with federal matching
11-12		.........(b) Children receiving AFDC with federal matching
13		.........(c) Other persons not included in recipient count for federal matching
14-15		.........(d) TOTAL in AFDC assistance group (a+b+c)
16-17		.....(B) OTHER PERSONS IN HOUSEHOLD { If unknown, enter 99 for (B) and (C). If family resides in group quarters *(see instruction for definition)*, enter 88 for (B) and (C).
18-19		.....(C) TOTAL IN HOUSEHOLD (d)+(B)
		E-8 WHAT IS THE RACE OF PAYEE? *(Circle one code number)*
20	0	.....White
	1	.....Negro or black
	2	.....American Indian *(include Eskimo and Aleut)*
	3	.....Asian *(include Chinese, Japanese, Korean, Asian Indian, Pakistani, Philipino, Polynesian, Indonesian, Southeast Asian, etc.)*
	4	.....Other *(specify)* ________________
	9	.....Unknown

FIELD	CODE	E-9 IS PAYEE'S ORIGIN OR DESCENT– *(Circle one code number)*
21	0	.....Mexican
	1	.....Puerto Rican
	2	.....Cuban
	3	..... Other Spanish *(specify)* ____________________
	4	.....No, none of these
22		E-10 WHERE DOES THE AFDC ASSISTANCE GROUP CURRENTLY LIVE? *(Circle one code number, using list furnished by State office)*
		In this State:
		In SMSA* county:
		Within central city of:
	0	............1,000,000 or more
	1	............500,000 to 1,000,000
	2	............250,000 to 500,000
	3	............100,000 to 250,000
	4	............Less than 100,000
		Outside central city; area is:
	5	............Urban *(place of 2,500 or more)*
	6	............Rural *(less than 2,500, including farm)*
		Not in SMSA* county; area is:
	7	............Urban *(place of 2,500 or more)*
	8	............Rural *(less than 2,500, including farm)*
	9	.....Not in this State
		*Standard Metropolitan Statistical Area.
23		E-11 WHAT IS THE SHELTER ARRANGEMENT OF THE AFDC ASSISTANCE GROUP FOR THEIR CURRENT LIVING QUARTERS? *(Circle one code number. Quarters may be in a house, apartment, trailer, boat, hogan, etc.)*
		Member of the AFDC assistance group:
	0	.......Owns or is buying quarters
		Rents quarters in:
	1	.... Public housing
	2	.... Private housing
	3	.....Group occupies quarters rent-free
	4	.....Other arrangement *(family in group quarters, etc.)* *(specify)* ____________________
	9	.....Unknown
24		E-12 IN WHAT YEAR DID THE PAYEE OF THE AFDC ASSISTANCE GROUP MOVE TO THE CURRENT LIVING QUARTERS OF THE GROUP? *(Circle one code number)*
	0	1974-75
	1	1973
	2	1972
	3	1970-71
	4	1965-69
	5	1955-64
	6	.....1954 or earlier
	7	.....Payee has lived there since his or her birth
	9	.....Unknown
25		E-13 DO ALL OF THE CHILDREN IN THE AFDC ASSISTANCE GROUP HAVE THE SAME NATURAL (BIOLOGICAL) FATHER? *(Circle one code number)*
	1	.....YES, same father
		NO, number of different fathers is:
	2	.... Two
	3	.... Three
	4	.... Four
	5	.... Five
	6	.... Six or more
	9	.....UNKNOWN
26		E-14 DO ALL OF THE CHILDREN IN THE AFDC ASSISTANCE GROUP HAVE THE SAME NATURAL (BIOLOGICAL) MOTHER? *(Circle one code number)*
	1	.....YES, same mother
		NO, number of different mothers is:
	2	.... Two
	3	.... Three or more
	9	.....UNKNOWN

F-15 ADULTS IN HOUSEHOLD:
Enter all adults in the household.

Field	A 10-30	B 31	C 32	D 33	E 34	F 35-36	G 37	H 38-41		I 42-45		J 46-49	
	Complete these items for all adults				Complete these items for each NATURAL or ADOPTIVE parent or LEGALLY RESPONSIBLE stepparent in the home. Do not complete these items if there is no such mother or father in the home for any of the children in this AFDC group.								
Field 1-6 repeat 001 Field 7-9 card no.	Adult's name *(first and last)* • List payee on line 101	Head of household *(Enter code 1 for head, leave others blank)*	Relationship to youngest child in this AFDC group *(Enter code)*	Money payment status *(Enter code)*	Highest grade or level of school completed *(Enter code)*	Usual kind of work *(Enter code)*	Current employment status *(Enter code)*	If current job, month and year job began		If no current job, month and year left last job		Month and year of birth	
								mo.	yr	mo.	yr	mo.	yr
101													
102													
103													
104													
105													
106													
107													
108													
109													
110													

Codes for item C
RELATIONSHIP TO YOUNGEST CHILD IN THIS AFDC GROUP:

Mother:	
Natural or adoptive	0
Stepmother	1
Father:	
Natural	2
Adoptive	3
Stepfather (nonadoptive)	
Legally responsible	4
NOT legally responsible	5
Grandparent	6
Other relative	7
Nonrelative	8
Unknown	9

Codes for item D
MONEY PAYMENT STATUS:

AFDC in this assistance group	0
AFDC in other assistance group	1
SSI	2
General assistance or SSI State supplement only	3
Does not receive a money payment	4
Unknown	9

Codes for item F
USUAL KIND OF WORK *(see instructions)*:

WHITE COLLAR WORKERS:	
Professional, technical, and kindred workers	01
Managers and administrators, except farm	02
Sales workers	03
Clerical and kindred workers	04
BLUE COLLAR WORKERS:	
Craft and kindred workers	05
Operatives, except transport	06
Transport equipment operatives	07
Laborers, except farm	08
FARM WORKERS:	
Farmers and farm managers	09
Farm laborers and farm foremen	10
SERVICE WORKERS:	
Service workers, except private household	11
Private household workers	12
Usual kind of work unknown	97
Unknown whether ever employed	98
Never employed	99

Codes for item E
HIGHEST GRADE OR LEVEL OF SCHOOL:

None, or less than 5th grade	0
5th or 6th grade	1
7th grade	2
8th grade	3
9th grade	4
10th or 11th grade	5
High school graduate	6
Some college; did not graduate	7
College graduate	8
Unknown	9

Codes for items H, I, and J
MONTH:

January	01	August	08
February	02	September	09
March	03	October	10
April	04	November	11
May	05	December	12
June	06	Unknown	99
July	07		

YEAR:
Enter last two digits, or Unknown=76

Codes for item G
CURRENT EMPLOYMENT STATUS:

Employed and usually works:	
Full time (35 hours or more per week)	0
Part time (less than 35 hours per week)	1
Not employed:	
Physically or mentally incapacitated for employment	2
Needed in the home full time as homemaker	3
Attending school or receiving training	4
Other status:	
Awaiting recall from layoff	5
Actively seeking work	6
Not actively seeking work	7

K 50-61	L 62	M 63	N 64	O 65-67	P 68-70	Q 71-73	R 74-76	S 77-79
Complete these items for each adult in this AFDC group								
	Work Incentive Program			Amount of monthly benefits and pensions received from: *(Enter amounts where applicable)*				
Medicaid number	WIN registration status *(Enter code)*	Reason for WIN exemption *(Enter code)*	If WIN incapacity exemption: receiving voc. rehab. services? *(Circle code)* Inapplicable = I Yes = Y No = N	OASDI and/or Railroad retirement	Veterans' benefits	Unemployment compensation	Workmen's compensation	Other benefits or pensions
			I Y N 1 2 3	$	$	$	$	$
			I Y N 1 2 3	$	$	$	$	$
			I Y N 1 2 3	$	$	$	$	$
			I Y N 1 2 3	$	$	$	$	$
			I Y N 1 2 3	$	$	$	$	$
			I Y N 1 2 3	$	$	$	$	$
			I Y N 1 2 3	$	$	$	$	$
			I Y N 1 2 3	$	$	$	$	$
			I Y N 1 2 3	$	$	$	$	$
			I Y N 1 2 3	$	$	$	$	$

Codes for item L
WIN REGISTRATION STATUS:
Registered-manatory 0
Registered-voluntary 1
Currently exempted 2
Status pending. 3
No WIN project in area. . . . 4

Codes for item M
REASON FOR WIN EXEMPTION:
Inapplicable, not exempted 0
Ill, incapacitated, or of advanced age 1
WIN projects too far away 2
Needed in home to care for another household member who is ill or physically or mentally incapacitated 3
Mother or other relative cares for a child under age 6 4
Mother or other female caretaker of a child, if an adult male is in the home and not exempt 5
Other 6

E-16 CHILDREN IN HOUSEHOLD:

Enter all children in the household, with oldest child first, then second oldest, etc. Enter last an unborn child recipient in this AFDC group. For unborn, complete items A, B, D, H, and N through Q.

Field	A 10-30	B 31-34		C 35	D 36	E 37	F 38	G 39-50	H 51
	Complete these items for all children					Complete these items for each child NOT in this AFDC group		Complete these items for each child in this AFDC group	
Field 1-6 repeat 001 Field 7-9 card no.	Child's name *(first and last)* • Unborn = "unborn"	Month and year of birth		Sex *(Circle code)* Male=M Fem = F	Is child a recipient in this AFDC group? *(Circle code)* Yes = Y No = N	Reason not in this AFDC group *(Enter code)*	Relationship to youngest child in this AFDC group *(Enter code)*	Medicaid number	Illegitimate? *(Circle code)* Yes = Y No = N
		mo	yr						
201				M 1 F 2	Y 1 N 2				Y 1 N 2
202				M 1 F 2	Y 1 N 2				Y 1 N 2
203				M 1 F 2	Y 1 N 2				Y 1 N 2
204				M 1 F 2	Y 1 N 2				Y 1 N 2
205				M 1 F 2	Y 1 N 2				Y 1 N 2
206				M 1 F 2	Y 1 N 2				Y 1 N 2
207				M 1 F 2	Y 1 N 2				Y 1 N 2
208				M 1 F 2	Y 1 N 2				Y 1 N 2
209				M 1 F 2	Y 1 N 2				Y 1 N 2
210				M 1 F 2	Y 1 N 2				Y 1 N 2
211				M 1 F 2	Y 1 N 2				Y 1 N 2
212				M 1 F 2	Y 1 N 2				Y 1 N 2
213				M 1 F 2	Y 1 N 2				Y 1 N 2
214				M 1 F 2	Y 1 N 2				Y 1 N 2
215				M 1 F 2	Y 1 N 2				Y 1 N 2

Codes for item B
MONTH:

January	01
February	02
March	03
April	04
May	05
June	06
July	07
August	08
September	09
October	10
November	11
December	12
"Unborn"	98
Unknown	99

YEAR:
Enter last two digits, or unknown = 76

Codes for item E
REASON NOT IN THIS AFDC GROUP:

Member of another assistance group:	
AFDC	0
SSI	1
General assistance or SSI State supplement only	2
Not deprived of parental support or care	3
Over State age limit for AFDC	4
Age 18-20 and not attending school at least half time	5
Application for child in process by agency	6
Payee did not apply for AFDC for the child	7
Other reason	8
Unknown	9

Codes for item F
RELATIONSHIP TO YOUNGEST CHILD IN THIS AFDC GROUP:

Brother or sister (including half- or step-)	0
Other relative	1
Nonrelative	2
Unknown	9

I 52	J 53	K 54	L 55	M 56	N 57	O 58	P 59	Q 60-63		R 64	S 65	T 66
Complete these items for each child in this AFDC group												
		Work Incentive Program										
Currently enrolled in school? *(Circle code)* Yes = Y No = N	Currently employed? *(Circle code)* Yes: Full time = Y-FT Part time = Y-PT Not employed = N	WIN registration status *(Enter code)*	Reason for WIN exemption *(Enter code)*	If WIN incapacity exemption: receiving voc. rehab. services? *(Circle code)* Inapplicable = I Yes = Y No = N	Reason for eligibility *(Enter code)*	Current residence of child's Mother *(Enter code)*	Current residence of child's Father *(Enter code)*	If father not in home, month and year he last left. Never in home = 0000		During the past year, has a State or local unit attempted to establish paternity for child? *(Circle code)* Yes = Y No = N	During the past year, has a State or local unit attempted to obtain support for child? *(Circle code)* Yes = Y No = N	Is there a court order or parent's agreement *(voluntary)* for support of child? *(Circle code)* No = N Yes: Court order = Y-CO Parent's agreement = Y-PA
								mo	yr			
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3
Y N 1 2	Y-FT Y-PT N 1 2 3			I Y N 1 2 3						Y N 1 2	Y N 1 2	N Y-CO Y-PA 1 2 3

Codes for Item K
WIN REGISTRATION STATUS:

Registered-mandatory	0
Registered-voluntary	1
Currently exempted	2
Status pending	3
No WIN project in area	4

Codes for Item L
REASON FOR WIN EXEMPTION:

Inapplicable, not exempted	0
Under age 16	1
Age 16 and over and attending school full time	2
Ill or incapacitated	3
WIN project too far away	4
Other	5

Codes for Item N
REASON FOR ELIGIBILITY—Deprived of support or care of natural or adoptive parent or legally responsible stepparent:

FATHER, Who is:	
Deceased	0
Physically or mentally incapacitated	1
Unemployed	2
Absent from the home:	
In Armed Forces	3
Divorced	4
Legally separated	5
Non-legally separated (includes desertion)	6
Not married to mother	7
Absent for another reason	8
MOTHER'S, but not father's support or care	9

Codes for items O and P
CURRENT RESIDENCE OF NATURAL OR ADOPTIVE PARENT OR LEGALLY RESPONSIBLE STEPPARENT:

Inapplicable; deceased	0
In the home	1
In an institution:	
Correctional (prison, jail, etc.)	2
Other (including mental and medical)	3
Neither in the home nor in an institution, but in:	
Same county (or independent city)	4
Different county, same State	5
Different State in the United States	6
A foreign country	7
Whereabouts unknown	9

Codes for Item Q
MONTH:

January	01
February	02
March	03
April	04
May	05
June	06
July	07
August	08
September	09
October	10
November	11
December	12
Unknown	99

YEAR:
Enter last two digits, or
Unknown = 76

FIELD	CODE	
1-6	Repeat 001	**E-17** DURING THE PAST YEAR, HAVE ANY OF THE ACTIONS SPECIFIED BELOW BEEN TAKEN IN REGARD TO OBTAINING SUPPORT OR ESTABLISHING PATERNITY FOR ANY OF THE CHILDREN IN THE AFDC ASSISTANCE GROUP? *(Circle each applicable code number)* 00. . .NO
7-9	004	YES: 10. . . . . Obtaining child support 20. . . . . Enforcing support obligations owed by absent parent Locating absent parent; absent parent was: 40. . . . . . . Located 01. . . . . . . NOT located Establishing paternity; paternity was: 02. . . . . . . Established 04. . . . . . . NOT established
10-11		← *(State office enter summation code, or 00)*
		E-18 IS THERE A COURT ORDER OR PARENT'S AGREEMENT *(VOLUNTARY)* FOR SUPPORT OF ANY OF THE CHILDREN IN THE AFDC ASSISTANCE GROUP? *(Circle each applicable code number)* 00. . . NO → IF CIRCLED, SKIP TO E-23 YES: COURT-ORDERED support by: 10. . . . . . . One absent parent 20. . . . . . . Two absent parents 40. . . . . . . Three or more absent parents PARENT'S AGREEMENT *(VOLUNTARY)* for support involving: 01. . . . . . . One absent parent 02. . . . . . . Two absent parents 04. . . . . . . Three or more absent parents
12-13		← *(State office enter summation code, or 00)*
		E-19 WHAT IS THE TOTAL MONTHLY AMOUNT ORDERED OR AGREED UPON FOR SUCH SUPPORT PAYMENTS? *(If none, enter 000)*
14-16	$	. . . . .(a) Court-ordered
17-19	$	. . . . .(b) Parent's agreement *(voluntary)*
		E-20 WHAT IS THE NUMBER OF CHILDREN IN THE AFDC ASSISTANCE GROUP FOR WHOM SUPPORT PAYMENTS ARE ORDERED OR AGREED UPON? *(If none, enter 00)*
20-21		. . . . .(a) Court-ordered
22-23		. . . . .(b) Parent's agreement *(voluntary)*
		E-21 TO WHOM ARE SUPPORT PAYMENTS TO BE MADE FOR CHILDREN IN THE AFDC ASSISTANCE GROUP? *(Circle each applicable code number)* COURT-ORDERED: 100. . . . . . .AFDC parent, other child caretaker, or legally appointed representative 200. . . . . . .Court 400. . . . . . .Public welfare agency 010. . . . . . .Other agency PARENT'S AGREEMENT *(VOLUNTARY)*: 020. . . . . . .AFDC parent or other person 040. . . . . . .Public welfare agency 001. . . . . . .Other agency
24-26		← *(State office enter summation code)*

FIELD	CODE	
		E-2[illegible] TO WHAT EXTENT ARE SUPPORT PAYMENTS CURRENTLY BEING MET? *(Circle each applicable code number)* COURT-ORDERED: 100. . . . . . .Fully met Partially met; payments are: 200. . . . . Regular 400. . . . . Irregular Not being met: 010. . . . . Proceedings initiated to secure compliance 020. . . . . No proceedings initiated to secure compliance PARENT'S AGREEMENT *(VOLUNTARY)*: 040. . . . . . .Fully met Partially met; payments are: 001. . . . . Regular 002. . . . . Irregular 004. . . . . . .Not being met
27-29		←*(State office enter summation code)*
		E-23 DOES THE AFDC ASSISTANCE GROUP PARTICIPATE IN A U.S. DEPARTMENT OF AGRICULTURE FOOD DISTRIBUTION PROGRAM? *(Circle one code number)* YES, group participates in:
30	0	. . . . . . .Food stamp plan
	1	. . . . . . .Donated food plan *(surplus commodities)*
	2	. . . . .NO, group does not participate in either plan
	9	. . . . .UNKNOWN whether group participates
		E-24 FOOD STAMPS AUTHORIZED FOR PURCHASE DURING STUDY MONTH BY HOUSEHOLD; *(If none, enter 000; if unknown, enter 999)*
31-33	$	. . . . .(a) Total dollar value of food stamps authorized
34-36	$	. . . . .(b) Purchase amount for food stamps
37-40	$	**E-25** WHAT IS THE TOTAL MONTHLY AMOUNT OF MONEY PAYMENTS RECEIVED BY PERSONS IN THE HOUSEHOLD NOT IN THIS AFDC ASSISTANCE GROUP FOR: AFDC IN ANOTHER ASSISTANCE GROUP, SSI, GENERAL ASSISTANCE, AND/OR SSI STATE SUPPLEMENT ONLY? *(If none, enter 0000; if unknown, enter 9999)*
41-43	$	**E-26** WHAT IS THE TOTAL AMOUNT OF WIN AND CETA INCENTIVE PAYMENTS RECEIVED BY MEMBERS OF THE AFDC ASSISTANCE GROUP DURING THE STUDY MONTH? *(If none, enter 000)*
		E-27 WHAT IS THE CURRENT VALUE OF RESOURCES OF THE AFDC ASSISTANCE GROUP WHICH ARE CONSIDERED IN DETERMINING NEED? *(Enter dollar amounts where applicable. Exclude real property used as home.)*
44-48	$	. . .(a) Real property NOT used as home *(market value)*
49-52	$	. . . . .(b) Cash
53-56	$	. . . . .(c) Bank deposits
57-60	$	. . . . .(d) Stocks and/or bonds *(market value)*
61-64	$	. . . . .(e) Automobile or other motor vehicle *(market value)*
65-68	$	. . . . .(f) Cash value of life insurance
69-72	$	. . . . .(g) Other personal property
73-75	$	**E-28** WHAT AMOUNT DID THE AFDC ASSISTANCE GROUP ACTUALLY PAY DURING THE STUDY MONTH FOR SHELTER AND/OR FUEL AND UTILITIES? *(Include rent, mortgage payments, taxes, utilities except telephone. If none, enter 000; if unknown, enter 999.)*
76-78	$	**E-29** WHAT ADDITIONAL AMOUNT DID PERSONS IN THE HOUSEHOLD NOT IN THIS AFDC ASSISTANCE GROUP PAY DURING THE STUDY MONTH FOR SHELTER AND/OR FUEL AND UTILITIES? *(Include rent, mortgage payments, taxes, utilities except telephone. If none, enter 000; if unknown, enter 999.)*

FIELD	CODE	AFDC ASSISTANCE BUDGET
1-6 7-9	Repeat 001 005	E-30 IN DETERMINING THE AMOUNT OF THE AFDC PAYMENT, ARE THE NEEDS AND/OR INCOME OF THE AFDC ASSISTANCE GROUP COMBINED WITH THE NEEDS AND/OR INCOME OF ANY OTHER PERSON WHO RECEIVES GENERAL ASSISTANCE ONLY? *(Circle one code number)*
10	0	.....Yes ——► See State office instructions for dividing budget items before completing E-31 through E-35.
	1	.....No
11-14	$ | | |	E-31 MONTHLY STANDARD OF NEED *(BASIC, SPECIAL, AND/OR SHELTER)* FOR THE AFDC ASSISTANCE GROUP: *(Enter full standard of need without regard to any imposed maximum or percentage reduction which is applied in determining the amount of the payment. Do not include needs to be met through vendor payments.)*
		E-32 DOES THIS AFDC ASSISTANCE GROUP HAVE ANY INCOME OTHER THAN PUBLIC ASSISTANCE? *(Circle one code number)*
15	0	.....Yes
	1	.....No ——► IF CIRCLED, SKIP TO E-35
		E-33 TOTAL MONTHLY NONASSISTANCE INCOME CONSIDERED IN BUDGET: *(Enter amounts where applicable in A through L.)* (A) Earned income *(cash and in kind)* of persons in the AFDC assistance group:
16-18	$ | |	.... (a) Mother
19-21	$ | |	.... (b) Father
22-24	$ | |	.... (c) Children age 14 and over *(except full-time students or part-time students not employed full time)*
25-27	$ | |	.... (d) Other adults
28-30	$ | |	.....(B) Earnings from public service employment *(WIN)*
31-33	$ | |	.....(C) OASDI and/or Railroad Retirement benefits
34-36	$ | |	.....(D) Veterans' benefits
37-39	$ | |	.....(E) Other pensions or benefits
40-42	$ | |	.....(F) Unemployment compensation
43-45	$ | |	.....(G) Workmen's compensation
		(H) Support payments from absent parents:
46-48	$ | |	.... (a) Court-ordered
49-51	$ | |	.... (b) Parent's agreement *(voluntary)*
52-54	$ | |	.....(I) Contributions from stepparent in the household
55-57	$ | |	.....(J) Contributions from other persons in the household
58-60	$ | |	.....(K) Other cash income
61-63	$ | |	.....(L) Other income in kind to which a money value is given

FIELD	CODE	
1-6 7-9	Repeat 001 006	E-34 MONTHLY NONASSISTANCE INCOME DISREGARDED IN BUDGET: *(Enter amounts where applicable in A through E)*
10-12	$	.....(A) Optional disregard of not more than $5 per individual of income from all sources
13-15	$	.....(B) Disregard of first $30 + 1/3 of remaining earned income
		(C) Allowed employment expense; if computed separately, enter amounts in (a) and (b):
16-18	$	.........(a) Child care
19-21	$	.........(b) Other employment expenses or deductions *(taxes, transportation, etc.)*
		OR, if not computed separately, enter amount in (c):
22-24	$	.........(c) Total allowed employment expense
25-27	$	.....(D) Allocated to support of dependents outside the AFDC assistance group
28-30	$	.....(E) Additional disregarded income
		E-35 MONTHLY ASSISTANCE INCOME: *(Enter amount in (A) and, if applicable, in (B) and/or (C))*
31-34	$	.....(A) AFDC payment *(Federal/State funds)*
35-37	$	.....(B) General assistance *(State and local not matched by federal funds)*
38-40	$	.....(C) Emergency assistance paid during study month *(Federal/state funds)*

THANK YOU FOR FILLING IN THIS SCHEDULE

FOR OPTIONAL USE

$______________...... Full standard of need: E-31

$______________...... Gross nonassistance income: E-33

$______________...... Disregarded nonassistance income: E-34

$______________...... Net nonassistance income: E-33 minus E-34

$______________...... Assistance income: E-35

$______________...... Unmet need: E-31 minus [(E-33 minus E-34) + (E-35A+B)]

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FORM SRS-NCSS-126S
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
SOCIAL AND REHABILITATION SERVICE
NATIONAL CENTER FOR SOCIAL STATISTICS

OMB No. 83-S74007
Approval expires October 1975

1975 AFDC STUDY
Case Record Schedule for Service Worker

State code: ____________

Study code: ____________

Name of payee: ____

County: ____________________

Case number: ____________________

Name of service worker filling in schedule: ____________________

READ BEFORE YOU START:

Purpose of the study

The information that caseworkers provide will be totaled and used by the State and Federal governments in evaluating the AFDC program and in planning for improvements by legislative and policy changes. The information will not be used to evaluate any single AFDC case. All information relating to individual cases will be held confidential.

Instructions

Answer the items from current information in the case record, your own personal knowledge of the case, or the personal knowledge of another agency worker. If necessary, contact the payee to obtain the answers or to update information which may not be current. We suggest that payees contacted by phone or in person be told that the information is required for a special study and that their payments will not be affected. Do not answer "unknown" to any item unless there is no possibility of obtaining the information. Each item must be answered.

1. Use a soft lead pencil. You may need to erase.
2. The instruction following each item on the schedule tells you how to answer. Most items require circling code numbers or entering numbers. Information in the Instructions for Service Worker will give you additional help in answering.
3. Some items require additional coding by the State office, identified by *(State office enter. . .)*.
4. For numbers, the coding column is marked to show how many digits are required. For example, ☐ means a 1-digit number, ☐☐ a 2-digit number, and ☐☐☐ a 3-digit number. Use "lead" zeros if necessary, e.g., a "2" answer would be entered [2] , [0 2] , or [0 0 2] as required.
5. For all money amounts, enter dollars only. Round cents to the nearest dollar, e.g., $112.49 should be entered $112, and $112.50 should be entered $113.

S–1 ADULTS IN HOUSEHOLD:

Field	A 10-30	B 31	C 32	D 33	E 34
	Complete these items for all adults			Complete these items for each adult in this AFDC group	
Field 1 6 repeat 001 / Field 7-9 card no.	Adult's name *(first and last)*	Is adult known to have a problem with the use of addictive drugs? *(Circle code)* No = N Yes: Receiving services for problem = Y-RS Not receiving services = Y-NS	Is adult known to have a problem with the consumption of alcohol? *(Circle code)* No = N Yes: Receiving services for problem = Y-RS Not receiving services = Y-NS	Work Incentive Program certification status *(Enter code)*	Received EPSDT during past year *(see instructions)*? *(Circle code)* Yes = Y No = N
301		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2
302		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2
303		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2
304		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2
305		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2
306		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2
307		N Y-RS Y-NS 12 2 3	N Y-RS Y-NS 1 2 3		Y N 2 2
308		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2
309		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2
310		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2

Codes for item D
WIN CERTIFICATION STATUS:
CERTIFIED, and –
  Placed in on-the-job training, public service employment, or other employment 0
  Awaiting placement in on-the-job training, public service employment, or other employment 1
NOT CERTIFIED. 2

5-3 CHILDREN IN HOUSEHOLD:

Field	A 10-30	B 31	C 32	D 33	E 34	F 35
	Complete these items for all children			Complete these items for each child in this AFDC group		
Field 1-6 repeat 001 Field 7-9 card no.	Child's name *(first and last)* Omit unborn	Is child known to have a problem with the use of addictive drugs? *(Circle code)* No = N Yes: Receiving services for problem = Y-RS Not receiving services = Y-NS	Is child known to have a problem with the consumption of alcohol? *(Circle code)* No = N Yes: Receiving services for problem = Y-RS Not receiving services = Y-NS	Work Incentive Program certification status *(Enter code)*	Received EPSDT during past year *(see instructions)*? *(Circle code)* Yes = Y No = N	Child care arrangement *(Enter code)*
401		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	
402		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	
403		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	
404		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	
405		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	
406		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	
407		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	
408		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	
409		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	
410		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	
411		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	
412		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	
413		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	
414		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	
415		N Y-RS Y-NS 1 2 3	N Y-RS Y-NS 1 2 3		Y N 1 2	

Codes for item D
WIN CERTIFICATION STATUS:
CERTIFIED, and–
  Placed in on-the-job training, public service employment, or other employment 0
  Awaiting placement in on-the-job training, public service employment, or other employment 1
NOT CERTIFIED. 2

Codes for item F
CHILD CARE ARRANGEMENTS:
Inapplicable, child's mother or other caretaker not away on a recurrent basis. 0
In child's own home by:
  Relative. 1
  Nonrelative. 2
In someone else's home by:
  Relative. 3
  Nonrelative. 4
Other arrangement:
  Group care (nursery school, group day care, family day care, day care center, etc.) 5
  Child looks after self 6
  Child's mother or other caretaker looks after child while working or being trained 7
  Other 8
Arrangement unknown. 9

FIELD	CODE	
1-6	Repeat 001	S-3 WHAT IS THE TOTAL NUMBER OF CHILD HOURS FOR WHICH A VENDOR PAYMENT WAS MADE FOR CHILD CARE DURING THE STUDY MONTH? *(Multiply the number of hours in month by number of children. Enter number. If none, enter 000.;*
7-9	007	
10-12		
13-15	$	S-4 AMOUNT OF VENDOR PAYMENT FOR CHILD CARE DURING STUDY MONTH. *(If none, enter 000.)*
		S-5 ARE ANY MEMBERS OF THIS FAMILY OUTSIDE THE HOME KNOWN TO HAVE A PROBLEM WITH THE USE OF ADDICTIVE DRUGS? *(Circle each applicable code number. Include absent fathers.)* 00. . . NO, none YES, members are: 10. . . . . Father or stepfather 20. . . . . Mother or stepmother 40. . . . . Children ages 14-20 01. . . . . Children under age 14 02. . . . . Other members
16-17		← *(State office enter summation code, or 00)*
		S-6 IF THERE ARE ANY FAMILY MEMBERS OUTSIDE THE HOME WHO ARE KNOWN TO HAVE A PROBLEM WITH THE USE OF ADDICTIVE DRUGS, ARE THEY RECEIVING SERVICES FOR THIS PROBLEM? *(Circle each applicable code)* 00. . . Inapplicable; none have this problem YES, members receiving services are: 10. . . . . Father or stepfather 20. . . . . Mother or stepmother 40. . . . . Children ages 14-20 01. . . . . Children under age 14 02. . . . . Other members 88. . . NO, they do not receive services
18-19		← *(State office enter summation code, or 00 or 88)*
		S-7 ARE ANY MEMBERS OF THIS FAMILY OUTSIDE THE HOME KNOWN TO HAVE A PROBLEM WITH THE CONSUMPTION OF ALCOHOL? *(Circle each applicable code number. Include absent fathers.)* 00. . . NO, none YES, members are: 10. . . . . Father or stepfather 20. . . . . Mother or stepmother 40. . . . . Children ages 14-20 01. . . . . Children under age 14 02. . . . . Other members
20-21		← *(State office enter summation code or 00)*
		S-8 IF THERE ARE ANY FAMILY MEMBERS OUTSIDE THE HOME WHO ARE KNOWN TO HAVE A PROBLEM WITH THE CONSUMPTION OF ALCOHOL, ARE THEY RECEIVING SERVICES FOR THIS PROBLEM? *(Circle each applicable code)* 00. . . Inapplicable; none have this problem YES, members receiving services are: 10. . . . . Father or stepfather 20. . . . . Mother or stepmother 40. . . . . Children ages 14-20 01. . . . . Children under age 14 02. . . . . Other members 88. . . NO, they do not receive services
22-23		← *(State office enter summation code, or 00 or 88)*

FIELD	CODE	
		S-9 HAS A SERVICE PLAN BEEN DEVELOPED FOR THIS AFDC ASSISTANCE GROUP? *(Circle one code number)*
		YES, and plan was that services were–
24	0	.......To be provided
	1	.......Not to be provided
		NO, because–
	2	.......Development of service plan pending on case open for assistance less than 12 months
	3	.......Other reason

FIELD	(a) Service provided: Directly by welfare agency	(a) Service provided: Welfare agency purchased it	(a) Service provided: Cost-free to welfare agency	(b) Service needed, but not available	S-10 DURING THE PAST YEAR, WHICH OF THE FOLLOWING SOCIAL SERVICES WERE: (a) PROVIDED TO THE AFDC ASSISTANCE GROUP? *(For each service provided, circle code number 0, 1, or 2)* (b) NEEDED BUT NOT PROVIDED BECAUSE SERVICES WERE NOT AVAILABLE? *(For each service needed but not available, circle code number 3)*
					(A) CHILD CARE SERVICES
25	0	1	2	3	..........(a) In child's own home
26	0	1	2	3	..........(b) Family day care
27	0	1	2	3	..........(c) Group day care
28	0	1	2	3	..........(d) Day care center
					(B) EDUCATIONAL AND TRAINING SERVICES *(AFDC-NON-WIN)*
29	0	1	2	3	..........(e) Literacy training
30	0	1	2	3	..........(f) Adult basic education
31	0	1	2	3	..........(g) High school equivalency (GED)
32	0	1	2	3	..........(h) Assist children to secure educational training appropriate to capabilities
33	1	1	2	3	..........(i) Referral for employment or work training
34	0	1	2	3	..........(j) Diagnostic assessment *(vocational, educational, social-psychological)* for employment
35	0	1	2	3	..........(k) Vocational rehabilitation
36	0	1	2	3	.....(C) (l) EMPLOYMENT RELATED MEDICAL AND REMEDIAL SERVICES *(WIN)*
37	0	1	2	3	.....(D) (m) SELECTED VOCATIONAL REHABILITATION SERVICES *(WIN)*
					(E) FAMILY PLANNING SERVICES
38	0	1	2	3	..........(n) Family planning without medical referral
39	0	1	2	3	..........(o) Family planning with medical referral
40	0	1	2	3	..........(p) Family planning contraceptive supplies
					(F) FOSTER CARE SERVICES FOR CHILDREN
41	0	1	2	3	..........(q) Children placed in foster care
42	0	1	2	3	..........(r) Children returned from foster care to own home or relative's home
43	0	1	2	3	..........(s) Foster care supervision
					(G) HEALTH RELATED SERVICES
44	0	1	2	3	..........(t) Diagnostic services to develop service plan
45	0	1	2	3	..........(u) Services to obtain or use medical *(including mental)* care
46	0	1	2	3	.....(H) (v) HOMEMAKER SERVICES
					(I) HOME MANAGEMENT AND FUNCTIONAL EDUCATIONAL INSTRUCTION IN:
47	0	1	2	3	..........(w) Management of household budgets
48	0	1	2	3	..........(x) Maintenance and care of the home
49	0	1	2	3	..........(y) Nutrition/preparation and selection of food
50	0	1	2	3	..........(z) Consumer education
51	0	1	2	3	..........(aa) Family life
52	0	1	2	3	..........(bb) Child rearing
53	0	1	2	3	..........(cc) Personal health maintenance
54	0	1	2	3	.....(J) (dd) SERVICES TO SECURE BETTER HOUSING OR IMPROVE HOUSING CONDITIONS
55	0	1	2	3	.....(K) (ee) PROTECTIVE SERVICES FOR NEGLECTED OR ABUSED CHILDREN
56	0	1	2	3	.....(L) (ff) SERVICES TO RUNAWAYS
57	0	1	2	3	.....(M) (gg) SERVICES TO UNMARRIED PARENTS
58	0	1	2	3	.....(N) (hh) TRANSPORTATION SERVICES *(As part of a service plan)*
59	0	1	2	3	.....(O) (ii) LEGAL SERVICES
					(P) OTHER SOCIAL SERVICES
60	0	1	2	3	..........(jj) Emergency services
61	0	1	2	3	..........(kk) Not specified above

THANK YOU FOR FILLING IN THIS SCHEDULE

1975 AFDC STUDY

Multiple Benefit Questionnaire

1 - 2	☐ ☐ 1 2	State Code
3 - 6	☐ ☐ ☐ ☐ 3 4 5 6	Study Code (State Office Enter Assigned Study Code)
7	☐ 7	Card Number (State Office Enter Card Number)
	Name of Payee	______________________________
8 - 16	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ 8 9 10 11 12 13 14 15 16	Case Number
	County Name	______________________________
17 - 18	☐ ☐ 17 18	County Number

FACSIMILE

Signature of Worker(s) Completing This Questionnaire

______________________________ | Date

______________________________ | Date

DSS-253 (7-75)

READ BEFORE YOU START:

The data gathered by this questionnaire will help MDSS's own research and analysis activities by either complimenting or supplementing data in the 1975 AFDC Study's case record schedules. This information will not be used to evaluate any single AFDC case. All information relating to individual cases will be held confidential.

Instructions:

Follow the relevant instructions given in either the Case Record Schedule for Eligibility Worker or the Case Record Schedule for Service Worker.

DSS-253 (7-75)

19

20 - 22

Enter Code

Yes = 1
No = 2

☐
19

Enter Bonus Amount

$☐☐☐
20 21 22

FACSIMILE

(H-1) Did this case purchase food stamps during May, 1975? (In answering this questions, please refer to records indicating actual purchase of food stamps.)

If yes, indicate the bonus amount (in dollars) for all food stamps purchased in May.

Note: Bonus amount equals the total dollar value of food stamps purchased minus the purchase amount paid by the client.

Total dollar value of food stamps $__________
Purchased Amount -$__________

Bonus Amount $__________

23	Enter Code Yes = 1 No = 2 ☐ 23	(H-2)	Did this case receive housing benefits during May, 1975?
24	Enter Code ☐ 24		If yes, indicate the type of assistance (by number from the list below) and what local agency, group or organization provided or administered it (name and address).
25 - 27	Amount Of Housing Benefit $☐☐☐ 25 26 27 (State Office Enter Amount)		

FACSIMILE

Type of Housing Assistance		Authorizing Agency
1 = Public Housing Rental Units	Name	
	Address	
2 = Rent Supplement Units	Name	
	Address	
3 = Section 235 (Interest Subsidy)	Name	
	Address	
4 = Section 236 (Interest Reduction Payments --- Rental And Cooperative Housing For Lower Income Families)	Name	
	Address	
5 = Relocation Program	Name	
	Address	
6 = Rehabilitation Program	Name	
	Address	
7 = Agricultural Housing Program	Name	
	Address	
8 = Others (Specify)	Name	
	Address	

DSS-253 (7-75)

28

Enter Code

Yes = 1
No = 2

☐
28

(H-3) Did this case receive any manpower or training benefits during May, 1975?

29 - 30

Enter Code

☐☐
29 30

If yes, indicate the type(s) of assistance from the list below, which family member(s) received it, what local agency provided it (name and address) and the cost of each program for May only (include all incentive payments). If more than one type of assistance was present, enter code 11 and circle types on the list below.

31 - 33

Enter Total Cost

$☐☐☐
31 32 33

FACSIMILE

Type Of Assistance

1 = WIN (Work Incentive Program)
2 = CETA (Comprehensive Employment Training Act)
3 = MDTA (Manpower Development And Training)
4 = CEP (Including Operation Mainstream - Concentrated Employment Program)
5 = NYC (Neighborhood Youth Corps)
6 = EEA (Emergency Employment Act)
7 = JOBS (Job Opportunities In The Business Sector)
8 = GI Bill (Veterans Educational Assistance)
9 = OE Grants And Loans (Office Of Education)
10 = Vocational Rehabilitation
11 = All Others: (Please Specify) ________________

____

Name Of Family Member And Recipient Number	Assistance Program	Local Agency (and address)	Cost For May ($)
		Total Cost	

DSS-253 (7-75)

34

35 - 37

Enter Code

Yes = 1
No = 2
☐
34

(H-4) Did this case receive any paid services during May, 1975? (For example: Homemaker Services, Chore Services, Special Service to the Handicapped, etc...)

Enter Total Cost For All Paid Services

$☐☐☐
35 36 37

If yes, indicate the type of service and the amount (in dollars) for each paid service provided in May.

Note: This information is found in the DSS 13-C form in the AP file.

FACSIMILE

Type Of Service	Amount For Each Service ($)
1.	
2.	
3.	
Total Cost	

38	Enter Code ☐ 38	(H-5) What was the marital status of the grantee in this case during May, 1975? 1 = Married 2 = Separated 3 = Single (Never Married) 4 = Divorced 5 = Spouse In Jail Or Institution 6 = Spouse Deceased 7 = Other (Specify) ________________
39	Enter Code Female = 1 Male = 2 ☐ 39	(H-6) What is the sex of the grantee in this case?
40	Enter Code ☐ 40	(H-7) What type of AFDC was approved during May, 1975 for this case? 1 = AFDC - Regular 2 = AFDC - Unemployed 3 = AFDC - Incapacitated 4 = Stepfather Case 5 = Child(ren) With Self-supporting Relative 6 = Legal Dependent(s)

FACSIMILE

Appendix B: EQUIVALENCE SCALES

Table B-1. Revised Equivalence Scale 1/ for Urban Families of Different Size, Age, and Composition
(4-person family-husband, age 35 to 54, wife, 2 children, older 6 to 15=100)

Size and type of family[2]	Age of head			
	Under 35	35-54	55-64	65 or over
One person	35	36	32	28
Two persons: average[3]	47	59	59	52
Husband and wife	49	60	59	51
One parent and child	40	57	60	58
Three persons: average[3]	62	81	86	77
Husband, wife, child under 6	62	69	--	--
Husband, wife, child 6-15	62	82	88	81
Husband, wife, child 16-17	--	[4]91	88	--
Husband, wife, child 18 or over	--	82	85	77
One parent, 2 children	67	76	82	75
Four persons: average[3]	74	99	109	91
Husband, wife, 2 children, (older under 6)	72	80	--	--
Husband, wife, 2 children, (older 6-15)	77	100	105	95
Husband, wife, 2 children, (older 16-17)	--	113	125	--
Husband, wife, 2 children, (older 18 or over)	--	96	110	89
One parent, 3 children	88	96	--	--
Five persons: average[3]	94	118	124	--
Husband, wife, 3 children, (oldest under 6)	87	97	--	--
Husband, wife, 3 children, (oldest 6-15)	96	116	120	--
Husband, wife, 3 children, (oldest 16-17)	--	128	138	--
Husband, wife, 3 children, (oldest 18 or over)	--	119	124	--
One parent, 4 children	108	117	--	--
Six persons or more: average[3]	111	138	143	--
Husband, wife, 4 children or more, (oldest under 6)	101	--	--	--
Husband, wife, 4 children or more, (oldest 6-15)	110	132	140	--
Husband, wife, 4 children or more, (oldest 16-17)	--	146	--	--
Husband, wife, 4 children or more, (oldest 18 or over)	--	149	--	--
One parent, 5 children or more	125	137	--	--

SOURCE: Bureau of Labor Statistics, Revised Equivalence Scale for Estimating Equivalent Incomes or Budget Costs by Family Type, Bull. No. 1570-2 (November 1968), derived from BLS Survey of Consumer Expenditures, 1960-61.

[1] The scale values shown here are the percentages of the cost of goods and services for family consumption of the base family (4 persons—husband, age 35-54, wife, 2 children, older child 6-15 years) required to provide the same level of living for urban families of different size, age, and composition.

[2] Husband-wife and one-parent families with their own children (including adopted and stepchildren) present, but with no other persons living with the family.

[3] Scale values for individual family types weighted by the number of families of each type in the universe. The averages include some types for which values were not shown separately because of the small number of such families in the sample.

[4] Revised.

Table B-2. Equivalence Matrix Implicit in Current Poverty Measure

Size of Family Unit	Number of Related Children Under 18 Years Old						
	None	1	2	3	4	5	6
NONFARM							
Male Head							
1 Person (Unrelated Individual):							
Under 65 years	53	--	--	--	--	--	--
65 Years and Over	48	--	--	--	--	--	--
2 Persons:							
Head Under 65 Years	67	74	--	--	--	--	--
Head 65 Years and Over	60	74	--	--	--	--	--
3 Persons	77	80	84	--	--	--	--
4 Persons	102	104	100	105	--	--	--
5 Persons	123	125	121	118	120	--	--
6 Persons	141	142	139	136	132	134	--
7 or More Persons	178	179	176	173	169	163	161
Female Head							
1 Person (Unrelated Individual):							
Under 65 Years	49	--	--	--	--	--	--
65 Years and Over	47	--	--	--	--	--	--
2 Persons:							
Head Under 65 Years	61	67	--	--	--	--	--
Head 65 Years and Over	59	67	--	--	--	--	--
3 Persons	75	71	79	--	--	--	--
4 Persons	98	102	101	100	--	--	--
5 Persons	118	121	121	120	116	--	--
6 Persons	137	140	139	138	133	129	--
7 or More Persons	172	175	174	173	168	165	157
FARM							
Male Head							
1 Person (Unrelated Individual):							
Under 65 Years	45	--	--	--	--	--	--
65 Years and Over	41	--	--	--	--	--	--
2 Persons:							
Head Under 65 Years	57	63	--	--	--	--	--
Head 65 Years and Over	51	63	--	--	--	--	--
3 Persons	66	68	72	--	--	--	--
4 Persons	87	88	85	89	--	--	--
5 Persons	105	106	103	100	102	--	--
6 Persons	120	120	118	115	112	114	--
7 or More Persons	151	153	150	147	144	138	137
Female Head							
1 Person (Unrelated Individual):							
Under 65 Years	42	--	--	--	--	--	--
65 Years and Over	40	--	--	--	--	--	--
2 Persons:							
Head Under 65 Years	52	57	--	--	--	--	--
Head 65 Years and Over	50	57	--	--	--	--	--
3 Persons	64	61	67	--	--	--	--
4 Persons	83	86	86	85	--	--	--
5 Persons	100	103	103	102	98	--	--
6 Persons	117	119	118	117	113	110	--
7 or More Persons	147	149	148	147	143	140	133

SOURCE: Mollie Orshansky, Office of Research and Statistics, Social Security Administration.

Appendix C: PROPORTIONS OF MICHIGAN AFDC CASES FALLING WITHIN DESIGNATED RATIOS OF INCOME BENCHMARKS

Table C-1

Percentage Distribution of AFDC-R Cases Below and Above BLS Lower Consumption Budget, by Definition of Income

Outstate, May 1975
(N=446)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	4.7%	3.8%	2.0%	2.0%	-0-%	-0-%	-0-%	0.4%
0.50-0.74	38.6	23.1	12.8	9.9	5.2	4.5	5.6	9.2
0.75-0.99	32.0	42.4	38.1	34.3	33.0	26.9	33.2	37.0
1.00-1.24	17.3	18.4	23.8	24.4	29.6	29.1	26.0	24.2
1.25-1.49	3.4	7.8	12.6	14.8	13.2	16.4	16.8	16.8
Greater Than 1.49	4.1	4.5	10.8	14.6	19.1	23.1	18.4	12.3
Total	100.1%	100.0%	100.1%	100.0%	100.1%	100.0%	100.0%	99.9%
Percent 1.0 or greater	24.8	30.7	47.2	53.8	61.9	68.6	61.2	53.3

Table C-2

Percentage Distribution of AFDC-UF Cases Below and Above BLS Lower Consumption Budget, by Definition of Income
Outstate, May 1975
(N=31)

Ratio of Case Income to Income Benchmark	Income Definition (1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	3.2%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%
0.50-0.74	48.4	32.3	19.4	16.1	6.5	3.2	6.5	19.4
0.75-0.99	45.2	61.3	48.4	48.4	48.4	48.4	51.6	48.4
1.00-1.24	-0-	3.2	12.9	12.9	41.9	35.5	32.3	25.8
1.25-1.49	3.2	3.2	16.1	16.1	-0-	6.5	6.5	3.2
Greater Than 1.49	-0-	-0-	3.2	6.5	3.2	6.5	3.2	3.2
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.1%	100.0%	100.0%
Percent 1.0 or greater	3.2	6.4	22.2	35.5	45.1	48.5	42.0	32.2

Table C-3

Percentage Distribution of AFDC-R, UF, and I Cases Below and Above BLS Lower Consumption Budget, by Definition of Income
Outstate, May 1975
(N=503)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	4.8%	3.6%	2.0%	1.8%	-0-%	-0-%	-0-%	0.4%
0.50-0.74	40.4	24.9	13.5	10.7	6.0	5.0	6.4	10.9
0.75-0.99	32.2	43.1	38.0	34.6	35.2	29.6	35.2	38.0
1.00-1.24	15.9	17.3	23.5	24.1	29.4	28.8	26.0	23.9
1.25-1.49	3.2	7.2	12.5	14.5	12.3	15.3	15.9	15.7
Greater Than 1.49	3.6	4.0	10.5	14.5	17.3	21.5	16.5	11.1
Total	100.1%	100.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Percent 1.0 or greater	22.7	28.5	46.5	52.9	58.8	65.4	58.4	50.7

Table C-4

Percentage Distribution of AFDC-R Cases Below and Above BLS Lower Consumption Budget, by Definition of Income
Wayne County, May 1975
(N=373)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	4.6%	2.9%	2.1%	2.1%	-0-%	-0-%	0.3%	0.3%
0.50-0.74	59.0	36.7	22.0	20.4	4.6	4.3	6.7	13.4
0.75-0.99	25.2	45.8	45.0	43.4	48.5	45.8	52.0	53.1
1.00-1.24	8.3	10.7	17.7	19.3	29.2	29.5	24.7	19.0
1.25-1.49	1.9	2.1	5.6	6.2	10.2	11.0	10.5	10.2
Greater Than 1.49	1.1	1.6	7.5	8.6	7.5	9.4	5.9	4.0
Total	100.1%	99.8%	99.9%	100.0%	100.0%	100.0%	100.1%	100.0%
Percent 1.0 or greater	11.3	14.4	30.8	34.1	46.9	49.9	41.1	33.2

Table C-5

Percentage Distribution of AFDC-UF Cases Below and Above BLS
Lower Consumption Budget, by Definition of Income
Wayne County, May 1975
(N=15)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%
0.50-0.74	53.3	33.3	-0-	-0-	13.3	13.3	20.0	26.7
0.75-0.99	46.7	60.0	73.3	66.7	40.0	40.0	40.0	40.0
1.00-1.24	-0-	6.7	20.0	26.7	46.7	40.0	33.3	33.3
1.25-1.49	-0-	-0-	-0-	-0-	-0-	6.7	6.7	-0-
Greater Than 1.49	-0-	-0-	6.7	6.7	-0-	-0-	-0-	-0-
Total	100.0%	100.0%	100.0%	100.1%	100.0%	100.0%	100.0%	100.0%
Percent 1.0 or greater	-0-	6.7	26.7	33.4	46.7	46.7	40.0	33.3

Table C-6

Percentage Distribution of AFDC-R, UF, and I Cases Below and Above BLS Lower Consumption Budget, by Definition of Income
Wayne County, May 1975
(N=396)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	4.5%	2.8%	2.0%	2.0%	-0-%	-0-%	0.3%	0.3%
0.50-0.74	58.8	36.6	21.2	19.7	5.3	5.1	7.8	14.4
0.75-0.99	26.0	46.7	46.2	44.4	48.0	45.2	50.8	52.5
1.00-1.24	7.8	10.4	17.7	19.4	30.1	30.3	25.5	19.4
1.25-1.49	1.8	2.0	5.3	5.8	9.6	10.6	10.1	9.6
Greater Than 1.49	1.0	1.5	7.6	8.6	7.1	8.8	5.6	3.8
Total	99.9%	100.0%	100.0%	99.9%	100.1%	100.0%	100.1%	100.0%
Percent 1.0 or greater	10.6	13.9	30.6	33.8	46.8	49.7	41.2	32.8

Table C-7

Percentage Distribution of AFDC-R Cases Below and Above BLS Lower Consumption Budget, by Definition of Income Michigan, May 1975 (N=819)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	4.6%	3.4%	2.1%	2.1%	-0-%	-0-%	0.1%	0.4%
0.50-0.74	47.9	29.3	17.0	14.7	4.9	4.4	6.1	11.1
0.75-0.99	28.9	43.9	41.2	38.5	40.0	35.5	41.8	44.3
1.00-1.24	13.2	14.9	21.0	22.1	29.4	29.3	25.4	21.9
1.25-1.49	2.7	5.3	9.4	10.9	11.8	13.9	13.9	13.8
Greater Than 1.49	2.7	3.2	9.3	11.9	13.8	16.9	12.7	8.5
Total	100.0%	100.0%	100.0%	100.2%	99.9%	100.0%	100.0%	100.0%
Percent 1.0 or greater	18.6	23.4	39.7	44.9	55.0	60.1	52.0	44.2

Table C-8

Percentage Distribution of AFDC-UF Cases Below and Above BLS Lower Consumption Budget, by Definition of Income
Michigan, May 1975
(N=46)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	2.2%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%
0.50-0.74	50.0	32.6	13.0	10.9	8.7	6.5	10.9	21.7
0.75-0.99	45.7	60.9	56.5	54.3	45.7	45.7	47.8	45.7
1.00-1.24	-0-	4.3	15.2	17.4	43.5	37.0	32.6	28.3
1.25-1.49	2.2	2.2	10.9	10.9	-0-	6.5	6.5	2.2
Greater Than 1.49	-0-	-0-	4.3	6.5	2.2	4.3	2.2	2.2
Total	100.1%	100.0%	99.9%	100.0%	100.1%	100.0%	100.0%	100.1%
Percent 1.0 or greater	2.2	6.5	30.4	34.8	45.7	47.8	41.3	32.7

Table C-9

Percentage Distribution of AFDC-R, UF, and I Cases Below and Above BLS Lower Consumption Budget, by Definition of Income
Michigan, May 1975
(N=899)

	Income Definition							
Ratio of Case Income to Income Benchmark	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	4.7%	3.2%	2.0%	1.9%	-0-%	-0-%	0.1%	0.3%
0.50-0.74	48.5	30.0	16.9	14.7	5.7	5.0	7.0	12.5
0.75-0.99	29.5	44.7	41.6	38.9	40.8	36.5	42.0	44.4
1.00-1.24	12.3	14.2	20.9	22.0	29.7	29.5	25.8	21.9
1.25-1.49	2.6	4.9	9.3	10.7	11.1	13.2	13.3	13.0
Greater Than 1.49	2.5	2.9	9.2	11.8	12.7	15.8	11.7	7.9
Total	100.1%	99.9%	99.9%	100.0%	100.0%	100.0%	99.9%	100.0%
Percent 1.0 or greater	17.9	22.0	39.4	44.5	53.5	58.5	50.8	42.8

Table C-10

Percentage Distribution of AFDC-R Cases Below and Above Poverty Line, by Definition of Income
Outstate, May 1975
(N=446)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	3.6%	3.6%	1.8%	1.8%	0.2%	0.2%	0.2%	0.2%
0.50-0.74	12.6	7.6	5.4	4.5	2.9	2.7	3.6	4.3
0.75-0.99	65.7	47.8	27.4	22.6	9.9	8.3	11.0	15.2
1.00-1.24	11.0	32.3	41.5	39.0	48.0	40.4	46.6	55.4
1.25-1.49	4.7	5.6	13.2	13.7	30.0	30.5	24.9	13.7
Greater Than 1.49	2.5	3.2	10.8	18.4	9.0	18.0	13.7	11.2
Total	100.1%	100.1%	100.1%	100.0%	100.0%	100.1%	100.0%	100.0%
Percent 1.0 or greater	18.2	41.1	65.5	71.1	87.0	88.9	85.2	80.3

Table C-11

Percentage Distribution of AFDC-UF Cases Below and Above Poverty Line, by Definition of Income
Outstate, May 1975
(N=31)

Ratio of Case Income to Income Benchmark	Income Definition (1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%
0.50-0.74	12.9	3.2	-0-	-0-	-0-	-0-	-0-	-0-
0.75-0.99	74.2	58.1	38.7	29.0	9.7	6.5	6.5	16.1
1.00-1.24	9.7	35.5	32.3	38.7	67.7	61.3	71.0	64.5
1.25-1.49	3.2	3.2	16.1	12.9	19.4	22.6	16.1	12.9
Greater Than 1.49	-0-	-0-	12.9	19.4	3.2	9.7	6.5	6.5
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.1%	100.1%	100.0%
Percent 1.0 or greater	12.9	38.7	61.3	71.0	90.3	93.6	93.6	83.9

Table C-12

Percentage Distribution of AFDC-R, UF, and I Cases Below and Above Poverty Line, by Definition of Income
Outstate, May 1975
(N=503)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	3.4%	3.4%	1.8%	1.6%	0.4%	0.2%	0.2%	0.4%
0.50-0.74	12.7	7.2	4.8	4.2	2.6	2.6	3.4	3.8
0.75-0.99	66.0	48.9	28.0	23.3	10.7	9.1	11.7	16.7
1.00-1.24	11.3	32.6	40.6	38.8	49.5	42.3	48.5	55.5
1.25-1.49	4.4	5.2	13.3	13.3	28.6	29.0	23.7	13.3
Greater Than 1.49	2.2	2.8	11.5	18.9	8.1	16.7	12.5	10.3
Total	100.0%	100.1%	100.0%	100.1%	99.9%	99.9%	100.0%	100.0%
Percent 1.0 or greater	17.9	40.6	65.4	71.0	86.2	88.0	84.7	79.1

Table C-13

Percentage Distribution [illegible] AFDC-R Cases Below and Above Poverty Line, by Definition of Income
Wayne County, May 1975
(N=373)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid & Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	3.5%	2.7%	2.1%	2.1%	0.3%	0.3%	0.3%	0.3%
0.50-0.74	20.6	11.8	8.3	8.0	2.4	2.4	2.4	2.4
0.75-0.99	66.5	57.4	36.2	32.7	14.5	13.4	19.8	29.2
1.00-1.24	5.9	24.4	33.5	34.3	57.6	53.1	61.1	57.1
1.25-1.49	1.9	2.1	9.9	10.5	20.6	23.1	11.8	6.4
Greater Than 1.49	1.9	1.6	9.9	12.3	4.6	7.8	4.6	4.6
Total	100.3%	100.0%	99.9%	99.9%	100.0%	100.1%	100.0%	100.0%
Percent 1.0 or greater	9.7	28.1	53.3	57.1	82.8	84.0	77.5	68.1

Table C-14

Percentage Distribution of AFDC-UF Cases Below and Above Poverty Line, by Definition of Income
Wayne County, May 1975
(N=15)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%
0.50-0.74	13.3	-0-	-0-	-0-	-0-	-0-	-0-	-0-
0.75-0.99	80.0	86.7	53.3	53.3	20.0	20.0	33.3	53.3
1.00-1.24	6.7	13.3	33.3	26.7	66.7	66.7	60.0	40.0
1.25-1.49	-0-	-0-	6.7	6.7	13.3	6.7	-0-	-0-
Greater Than 1.49	-0-	-0-	6.7	13.3	-0-	6.7	6.7	6.7
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.1%	100.0%	100.0%
Percent 1.0 or greater	6.4	13.3	46.7	46.7	80.0	80.1	66.7	46.7

Table C-15

Percentage Distribution of AFDC-R, UF, and I Cases Below and Above Poverty Line, by Definition of Income

Wayne County, May 1975

(N=396)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	3.3%	2.5%	2.0%	2.0%	0.3%	0.3%	0.3%	0.3%
0.50-0.74	20.2	11.4	7.8	7.6	2.3	2.3	2.3	2.3
0.75-0.99	67.4	58.6	36.6	33.1	14.9	13.9	20.5	30.1
1.00-1.24	5.8	24.0	34.1	34.8	58.1	53.5	61.4	56.8
1.25-1.49	1.8	2.0	9.6	10.1	20.2	22.5	11.1	6.1
Greater Than 1.49	1.5	1.5	9.8	12.4	4.3	7.6	4.5	4.5
Total	100.0%	100.0%	99.9%	100.0%	100.1%	100.1%	100.1%	100.1%
Percent 1.0 or greater	9.1	27.5	53.5	57.3	82.6	83.6	77.0	67.4

Table C-16

Percentage Distribution of AFDC-R Cases Below and Above Poverty Line,
by Definition of Income
Michigan, May 1975
(N=819)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	3.5%	3.2%	2.0%	2.0%	0.2%	0.2%	0.2%	0.2%
0.50-0.74	16.2	9.5	6.7	6.1	2.7	2.6	3.1	3.4
0.75-0.99	66.1	52.1	31.4	27.2	12.0	10.6	15.0	21.6
1.00-1.24	8.6	28.7	37.8	36.9	52.4	46.2	53.2	56.2
1.25-1.49	3.4	4.0	11.7	12.2	25.7	27.1	18.9	10.4
Greater Than 1.49	2.1	2.5	10.4	15.7	7.0	13.3	9.5	8.2
Total	99.9%	100.0%	100.0%	100.1%	100.0%	100.0%	99.9%	100.0%
Percent 1.0 or greater	14.1	35.2	59.9	64.8	85.1	86.6	81.6	74.8

Table C-17

Percentage Distribution of AFDC-UF Cases Below and Above Poverty Line, by Definition of Income
Michigan, May 1975
(N=46)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%	-0-%
0.50-0.74	13.0	2.2	-0-	-0-	-0-	-0-	-0-	-0-
0.75-0.99	76.1	67.4	43.5	37.0	13.0	10.9	15.2	28.3
1.00-1.24	8.7	28.3	32.6	34.8	67.4	63.0	67.4	56.5
1.25-1.49	2.2	2.2	13.0	10.9	17.4	17.4	10.9	8.7
Greater Than 1.49	-0-	-0-	10.9	17.4	2.2	8.7	6.5	6.5
Total	100.0%	100.1%	100.0%	100.1%	100.0%	100.0%	100.0%	100.0%
Percent 1.0 or greater	10.9	30.5	56.5	63.1	87.0	89.1	84.8	71.7

Table C-18

Percentage Distribution of AFDC-R, UF, and I Cases Below and Above Poverty Line, by Definition of Income
Michigan, May 1975
(N=899)

Ratio of Case Income to Income Benchmark	Income Definition							
	(1) Cash Income Only	(2) Cash plus Food Stamp Bonus	(3) Cash, Food Stamps, Medicaid @ Actual Incidence and Amount	(4) Total Income and Benefits, Actual Amount	(5) Cash, Food Stamps, Medicaid Averages	(6) Total with Medicaid Average	(7) Total with .85 Discount	(8) Total with .70 Discount
Less Than 0.50	3.3%	3.0%	1.9%	1.8%	0.3%	0.2%	0.2%	0.3%
0.50-0.74	16.0	9.0	6.1	5.7	2.4	2.4	2.9	3.1
0.75-0.99	66.6	53.2	31.8	27.6	12.6	11.2	15.6	22.6
1.00-1.24	8.9	28.8	37.7	37.0	53.3	47.3	54.2	56.1
1.25-1.49	3.2	3.8	11.7	11.9	24.9	26.1	18.1	10.1
Greater Than 1.49	1.9	2.2	10.8	16.0	6.5	12.7	9.0	7.8
Total	99.9%	100.0%	100.0%	100.0%	100.0%	99.9%	100.0%	100.0%
Percent 1.0 or greater	14.0	34.8	60.2	64.9	84.7	86.1	81.3	74.0

Appendix D: DISCOUNTING IN-KIND BENEFITS WITH MEDICAID AT ACTUAL AND AVERAGE VALUES

The eight definitions of income which are discussed in Chapter VI incorporate Medicaid benefits either at actual cost and incidence or at an average cost credited to all sample cases. Using the Medicaid average instead of the actual cost incurred increases the proportion of cases exceeding the Poverty Line and the BLS Lower Consumption Budget.

In the two definitions of income incorporating discounts of in-kind benefits to .85 and .70, Medicaid was included at average value. In other words, prior to discounting each case was assigned a $93 Medicaid benefit, irrespective of whether Medicaid was or was not utilized. However, if the actual Medicaid costs for each case were substituted for the Medicaid average, the definitions of income incorporating the discounting of in-kind benefits also would produce a lower proportion of cases meeting or exceeding the income benchmarks. These comparisons are illustrated in Table D-1.

Table D-1

Percentage Comparison of Michigan AFDC at or Above Income Benchmarks by Income Definition, Case Type, Location, and Treatment of Medicaid

Income Benchmark by Location by Cash Type Category	All Income and Benefits with all in-kind Benefits Discounted to .85		All Income and Benefits with all in-kind Benefits Discounted to .70	
	Medicaid at Actual Cost and Incidence	Medicaid Average	Medicaid at Actual Cost and Incidence	Medicaid Average
Poverty Line:				
Michigan:				
R-Cases	58.9%	81.6%	52.6%	74.8%
UF Cases	60.8	84.8	56.5	71.7
R,UF & I Cases	59.3	81.3	53.3	74.0
Outstate:				
R-Cases	65.5	85.2	60.4	80.3
UF Cases	70.9	93.6	64.5	83.9
R,UR & I Cases	66.0	84.7	60.6	79.1
Wayne County:				
R-Cases	50.9	77.5	43.4	68.1
UF Cases	40.0	66.7	40.0	46.7
R,UF & I Cases	51.0	77.0	43.9	67.4
BLS Lower Consumption Budget				
Michigan:				
R-Cases	42.0%	52.0%	36.6%	44.2%
UF Cases	33.0	41.3	24.0	32.7
R,UF & I Cases	41.5	50.8	36.1	42.8
Outstate:				
R-Cases	51.3	61.2	45.4	53.3
UF Cases	35.4	42.0	29.0	32.2
R,UF &I Cases	50.5	58.4	44.3	50.7
Wayne County:				
R-Cases	30.8	41.1	26.2	33.2
UF Cases	26.7	40.0	13.4	33.3
R,UF & I Cases	30.3	41.2	25.5	32.8

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